



## UNIVERSITY OF TEXAS SYSTEM GENERAL COBRA NOTICE

### **\*\*Your Rights to Continuation of Coverage Under COBRA\*\***

**THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT YOUR RIGHTS TO CONTINUE YOUR HEALTH CARE COVERAGE IN THE UNIVERSITY OF TEXAS (UT) SYSTEM GROUP MEDICAL, DENTAL, AND VISION PLANS AND YOUR UT FLEX HEALTH CARE REIMBURSEMENT ACCOUNT, IF APPLICABLE.**

**PLEASE REVIEW THIS NOTICE CAREFULLY.**

You are receiving this notice because you have recently become a participant in group health coverage offered by UT System (the Plan). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under one or more of the Plans. **This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.** When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

The right to COBRA continuation coverage was created by federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under one or more of the Plans when they would otherwise lose their group health coverage. For more information about your rights and obligations under the Plan and under federal law, you should review the Plan's Benefits Guide or contact the HR or Benefits Office at your UT Institution. Please see the table below for contact information for the HR/Benefits Offices at each UT Institution.

### **CONTACT INFORMATION FOR INSTITUTION HR/BENEFITS OFFICES**

<b>UT Institution</b>	<b>Telephone Number</b>
Stephen F. Austin	(936) 468-2304
UT Arlington	(817) 272-5554
UT Austin	(512) 471-4772 or Toll Free: (800) 687-4178
UT Dallas	(972) 883-2221
UT El Paso	(915) 747-5202
UT Health Science Center Houston	(713) 500-3935
UT Health Science Center San Antonio	(210) 567-2600
UT Health Science Center Tyler	(903) 877-7740
UT MD Anderson Cancer Center <i>*Employees should refer to Intranet site.</i>	(713) 745-6947
UT Medical Branch Galveston	(409) 772-2630 Toll Free (866) 996-8862
UT Permian Basin	(432) 552-2753
UT Rio Grande Valley	Brownsville: (956) 882-8205 Edinburg: (956) 665-2451
UT San Antonio	(210) 458-4250
UT Southwestern	(214) 648-9830
UT System Administration	(512) 499-4587
UT Tyler	(903) 566-7234

**You may have other options available to you when you lose group health coverage.** For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

## **Important Information about Your COBRA Continuation Coverage Rights**

### **What is continuation coverage?**

COBRA continuation coverage is a continuation of Plan coverage when it would otherwise have ended because of a life event known as a "qualifying event." Specific qualifying events are listed below. After a qualifying event occurs, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of a qualifying event. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the plan as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to UT System, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. The retired employee's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

### **When is COBRA Coverage Available?**

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer, or the employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), the employer must notify the Plan Administrator of the qualifying event.

## **You Must Give Notice of Some Qualifying Events**

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the appropriate UT Institution's HR or Benefits office within 31 days after the qualifying event occurs and provide appropriate documentation of the qualifying event, such as a copy of a finalized divorce decree.

## **How is COBRA Coverage Provided?**

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

## **How long will continuation coverage last?**

### ***For medical, dental, and vision coverage:***

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued for up to a total of 18 months. In the case of losses of coverage due to an employee's death, divorce or legal separation, the employee's becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 36 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. The COBRA Application shows the maximum period of continuation coverage available to the qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period if:

- any required premium is not paid in full on time,
- a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary (note: there are limitations on plans' imposing a preexisting condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act),
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason that would result in the termination of coverage of a participant or beneficiary under the Plans who is not receiving continuation coverage (such as fraud).

### ***For UT FLEX Health Care Reimbursement Accounts (HCRAs):***

Employees experiencing a qualifying event may elect to continue an eligible UT FLEX HCRA through the end of the plan year for which the account was originally elected by making after tax monthly contributions to the account. Only UT FLEX HCRAs with a remaining balance at the time of your qualifying event that is equal to or greater than the total of all required monthly contributions for the rest of the plan year are eligible for continuation.

## **How can you extend the length of COBRA continuation coverage?**

If you elect continuation coverage, an extension of the maximum period of coverage for medical, dental, and vision coverage may be available as described in the two following paragraphs if a qualified beneficiary is disabled or if a second qualifying event occurs during the continuation period. You must notify the plan administrator of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide timely notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

## ***Disability***

An 11-month extension of medical, dental, and vision COBRA coverage may be available if any of the qualified beneficiaries is determined by the Social Security Administration (SSA) to be disabled. The disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. A copy of your SSA disability determination letter along with a written request to extend the COBRA period must be provided directly to the plan administrator prior to the end of the initial 18-month period of coverage in order to extend the maximum period for medical, dental and/or vision coverage. Each qualified beneficiary who has elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify the Plan of that fact within 30 days after SSA's determination.

## ***Second Qualifying Event***

An additional 18-month extension of medical, dental, and vision coverage may be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum total period of continuation coverage available when a second qualifying event occurs is 36 months. Second qualifying events may include the death of a covered employee, divorce or separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. You must notify the Plan within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

## **Are there other coverage options besides COBRA Continuation Coverage?**

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

## **Can I enroll in Medicare instead of COBRA Continuation Coverage after my group health plan coverage ends?**

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the Medicare initial enrollment period, you have an 8-month special enrollment period<sup>1</sup> to sign up for Medicare Part A or B, beginning on the earlier of:

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and later enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA continuation coverage will pay second. Certain plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit [www.medicare.gov/medicare-and-you](http://www.medicare.gov/medicare-and-you).

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<sup>1</sup> <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>.

## **For more information**

This notice does not fully describe continuation coverage or other rights under the UT Benefits Plans. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Plan Administrator.

If you have any questions concerning the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, you should contact the HR or Benefits Office at the UT Institution where you (or your family member) are employed. Contact information for each UT institution's Benefits Office is included on page one of this notice.

Employees seeking more information about COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, can contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) at 1-866-444-3272 or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

## **Keep Your Plan Informed of Address Changes**

To protect your and your family's rights, you should keep the Plan Administrator informed of any changes in your address and the addresses of family members. To do this, you should update your contact through the HR or Benefits Office at your UT Institution while you are employed and through the plan administrator if you enroll in continuation of coverage under COBRA. You should also keep a copy, for your records, of any coverage related forms or notices that you send to the Plan Administrator.