

## Extended Coverage/COBRA Election Notice

**To Benefits Administrators:** In using this notice format, instructions are highlighted (such as this paragraph) and should not be included when preparing a notice to be sent to qualified beneficiaries. Information in red type identifies individual notice-specific information that needs to be provided by you when preparing a notice to be sent to qualified beneficiaries. Refer to the Health Benefits Program Administration Manual for additional information about Extended Coverage/COBRA.

### Date of Notice

**Name and Address:** To the employee, former employee and/or other qualified beneficiaries—those covered on the day before the qualifying event who lost coverage due to that event (or would lose coverage if not for eligibility for concurrent coverage such as that offered through a leave without pay or retirement). If there is more than one qualified beneficiary and they all live at the same address, only one notice, properly addressed, is sufficient. You may use the status instead of the name of the covered family member(s)—see examples.

Examples: --Just the employee--Mary Smith  
--Employee and spouse--Mary Smith and spouse or Mary Smith and John Smith  
--Employee and child—Mary Smith and covered child or Mary Smith and Sally Smith  
--Family coverage--Mary Smith, spouse and children covered under the plan prior to the qualifying event or Mary Smith and (all names);  
--Just Mary's daughter who is losing eligibility as a covered child—Jane Smith

If you know that any qualified beneficiary lives at a separate address, mail the Notice to the correct address and document the mailing.

This notice contains important information about your right to continue your health care coverage in the Commonwealth of Virginia Health Benefits Program (the Plan), as well as other health coverage alternatives that may become available to you through the Health Insurance Marketplace at [www.HealthCare.gov](http://www.HealthCare.gov) or by calling 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than Extended Coverage/COBRA. Please read the information contained in this notice very carefully before you make your decision. If you choose to elect Extended Coverage/COBRA, you should use the Election Form provided later in this notice and submit it to the designated individual by the end of the 60-day election period specified on the Election Form. In this notice, the words “you” or “your” refer to each of the individuals included at the above address by name or status.

### Why am I getting this notice?

You are getting this notice because your coverage under the Plan will end on (enter date) due to:  check appropriate box

- End of employment
- Reduction in hours of employment resulting in loss of coverage\*
- Death of employee or former employee
- Divorce from employee or former employee
- Loss of covered child status

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage through Extended Coverage/COBRA when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. The qualifying event is designated above. Your coverage will be lost at the end of the month in which the qualifying event takes place.

### What is Extended Coverage/COBRA?

Extended Coverage/COBRA is continuation of the same coverage that the Plan gives to other participants who are not getting continuation coverage. Each “qualified beneficiary” who elects continuation coverage will have the same rights under the Plan as similarly-situated non-Extended Coverage/COBRA participants. More information about Extended Coverage/COBRA is included later in this document (behind the Election Notice).

**What is a loss of coverage?**

Loss of coverage includes a change in the terms and conditions of coverage, so some other types of coverage, such as coverage during leave without pay or at retirement, may run concurrently with Extended Coverage/COBRA. Some leaves of absence without pay allow for continuation of the employer contribution toward the cost of coverage. This is an Extended Coverage/COBRA qualifying event since it results in a change in the terms and conditions of coverage. The period after the end of the month in which the reduction-of-hours event takes place will run concurrently with the Extended Coverage/COBRA eligibility period. If you elect to continue coverage with the employer contribution at the start of the Extended Coverage/COBRA period, and that contribution ends prior to the full 18-month eligibility period for the reduction-of-hours event, you may elect to use any remaining months by submitting the Election Form within 60 days of the loss of the employer contribution toward premium cost, at which time, the full Extended Coverage/COBRA premium will be billed for any remaining Extended Coverage/COBRA months.

**Who are qualified beneficiaries?**

Each family member who is covered on the day before the qualifying event and loses coverage due to the qualifying event is called a “qualified beneficiary” and has an independent right to elect Extended Coverage/COBRA. Timely election of Extended Coverage/COBRA will result in continuing group health care coverage under the Plan for up to (enter 18 or 36, as appropriate) months for: **Check the box or boxes that apply to all qualified beneficiaries**

- Employee or former employee: (enter name)
- Spouse or former spouse: (enter name)
- Covered child(ren) covered under the Plan on the day before the qualifying event that caused the loss of coverage: (enter name/s)
- Child who is losing coverage under the Plan because he or she lost eligibility as a covered child: (enter name)

**How much does Extended Coverage/COBRA cost?**

The monthly premium cost for Extended Coverage/COBRA for the plan in which all qualified beneficiaries were enrolled prior to the qualifying event is provided below. It includes all membership levels that could apply based on each qualified beneficiary’s independent right to elect continuation coverage. Any premium rewards that are earned will reduce these premiums per program provisions.

Plan	Membership Level	Monthly Premium on (enter COBRA start date)

**Instruction:** Provide the plan name and premium for each membership level that could apply. For example, if a family membership is being lost, provide the family, dual and single premium amount since any or all qualified beneficiaries can elect Extended Coverage/COBRA.

Other coverage options may cost less. **You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage.** You can learn more about the Marketplace later in this notice.

If you choose to elect continuation coverage, you don’t have to send any payment with the Election Form. Additional information about making premium payments is provided later in this document behind the Election Form. **Read this information carefully since failure to comply with premium payment deadlines will result in termination of your Extended Coverage/COBRA rights based on this qualifying event.**

**Are there other coverage options besides Extended Coverage/COBRA?**

Yes. Instead of enrolling in Extended Coverage/COBRA, there may be other affordable 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 Extended Coverage/COBRA.

You should compare your other coverage options with Extended Coverage/COBRA and choose the coverage that is best for you. There could be circumstances that cause Extended Coverage/COBRA to cost less than another option. For example, if you move to other coverage you may pay more out of pocket than you would under Extended Coverage/COBRA because the new coverage may impose a new deductible.

When you lose job-based health coverage, it is important that you choose carefully between Extended Coverage/COBRA and other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option.

### **If I elect COBRA continuation coverage, when will my coverage begin and how long will the coverage last?**

If elected, Extended Coverage/COBRA will begin on **(enter date)** and can last until **(enter date)**. Continuation coverage may end before this date in certain circumstances, like failure to pay premiums, fraud, or coverage under another group health plan or initial Medicare coverage. Refer to additional information following the Election Form about how long Extended Coverage/COBRA will last and when it may be terminated before the end of the maximum coverage period.

### **Can I extend the length of Extended Coverage/COBRA?**

If you elect Extended Coverage/COBRA, you may be able to extend the length of coverage if a qualified beneficiary is disabled or if a second qualifying event occurs. Detailed information about how to request an extension and the time limits associated with doing so are provided following the Election Form. If you don't provide notice of a disability or second qualifying event within the required time period, you will lose your right to extend the period of coverage.

For more information about extending the length of Extended Coverage/COBRA, you may also refer to <http://www.dol.gov/ebsa/publications/cobraemployee.html>.

### **What is the Health Insurance Marketplace?**

The Marketplace offers "one-stop shopping" to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums, as well as cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away. You will be able to see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you'll also learn if you qualify for free or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP). You can access the Marketplace for your state at [www.HealthCare.gov](http://www.HealthCare.gov).

Coverage through the Health Insurance Marketplace may cost less than Extended Coverage/COBRA. Being offered Extended Coverage/COBRA won't limit your eligibility for coverage or for a tax credit through the Marketplace.

### **When can I enroll in Marketplace coverage?**

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a "special enrollment" event. **After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away.** There is also an "open enrollment" period when anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit [www.HealthCare.gov](http://www.HealthCare.gov).

### **If I sign up for Extended Coverage/COBRA, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to Extended Coverage/COBRA?**

If you sign up for Extended Coverage/COBRA, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a "special enrollment period." But be careful—if you terminate your Extended Coverage/COBRA early without another qualifying event, you'll have to wait until the next open enrollment period to enroll in Marketplace coverage, and you could end up without any health coverage in the interim.

Once you've exhausted your Extended Coverage/COBRA period and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of Extended Coverage/COBRA, you cannot switch to Extended Coverage/COBRA under any circumstances.

### **Can I enroll in another group health plan?**

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your family member chooses to elect Extended Coverage/COBRA instead of enrolling in another group health plan for which you're eligible, you may have another opportunity to enroll in the other group health plan within 30 days of losing your Extended Coverage/COBRA.

### **What factors should I consider when choosing coverage options?**

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for Extended Coverage/COBRA. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check the networks in which your current health care providers participate as you consider options for health coverage.
- **Drug Formularies:** If you're currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- **Service Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see what plans have a service or coverage area, or other similar limitations.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

### **How can I elect Extended Coverage/COBRA?**

To elect Extended Coverage/COBRA, you must complete the Election Form provided later in the document and furnish it according to the directions on the form. Each qualified beneficiary has a separate right to elect Extended Coverage/COBRA. For example, the employee's covered spouse may elect Extended Coverage/COBRA even if the covered employee does not. Extended Coverage/COBRA may be elected for only one, several, or for all covered children who are qualified beneficiaries. A parent may elect to continue coverage on behalf of any minor children. The employee or the employee's spouse can elect Extended Coverage/COBRA on behalf of all qualified beneficiaries.

**Instruction:** if the qualified beneficiary/ies are enrolled in the COVA HealthAware Plan, include the following information.

### **Health Reimbursement Arrangement (HRA)**

If the qualified beneficiary/ies were enrolled in the COVA HealthAware Plan, any balance remaining in the single or family group's Health Reimbursement Arrangement (HRA) at the time of the loss of coverage will be available to each qualified beneficiary who elects Extended Coverage/COBRA. Contributions to the HRA (including any incentives) for any period of Extended Coverage/COBRA after the initial election will be funded per the same provisions governing similarly-situated non-Extended Coverage/COBRA participants.

**Instruction:** if the employee was enrolled in a Health Flexible Spending Account, include the following information.

**Health Flexible Spending Account (FSA)**

Extended Coverage/COBRA applies to a Health FSA if the qualified beneficiaries losing coverage have accounts that are underspent. A qualified beneficiary has an underspent account if the annual limit elected under the Health FSA by the covered employee, reduced by reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for Health FSA continuation premiums that will be charged for the remainder of the plan year. Extended Coverage/COBRA will consist of the Health FSA coverage in force at the time of the qualifying event. The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year when Extended Coverage/COBRA also ends for the FSA. All qualified beneficiaries who were covered under the Health FSA component of the Plan will be covered together for Health FSA COBRA coverage. However, each qualified beneficiary could alternatively elect separate Extended Coverage/COBRA to cover that qualified beneficiary only, with a separate Health FSA annual coverage limit and separate continuation premium. If you qualify for and wish to exercise this option during the election period, check the box indicating this election on your Election Form. The Benefits Administrator who issued this Notice can determine if the account is underspent. If it is underspent, your Benefits Administrator will provide qualified beneficiary/ies with the monthly premium amount, the total account balance, and information to facilitate payment. If you qualify for Extended Coverage/COBRA and are interested in this alternative, contact the Benefits Administrator who issued this notice for more information.

**Instruction:** include the following information in all notices.

**If You Have Questions:**

Questions about your rights to Extended Coverage/COBRA and this Notice should be directed to:

Benefits Administrator's Name	Enter information about the BA issuing this Notice
Benefits Administrator's Address	
Benefit Administrator's Telephone Number	

If you want a copy of your Member Handbook, contact your plan's Member Services number listed on your plan identification card. For more information about the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa) or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit [www.HealthCare.gov](http://www.HealthCare.gov).

**For more information**

This notice does not fully describe continuation coverage or other rights under the Plan. More information is available in your Member Handbook or by contacting:

Office of Health Benefits COBRA Administrator  
 101 North 14<sup>th</sup> Street, 13th Floor  
 Richmond, VA 23219  
[ohb@dhrm.virginia.gov](mailto:ohb@dhrm.virginia.gov)  
 888-642-4414

For more information about Extended Coverage under the Public Health Service Act for state and local government employees, consult the Department of Health and Human Services, Centers for Medicare and Medicaid Services. You can write them at this address:

Center for Medicare and Medicaid Services  
 7500 Security Boulevard  
 Mail Stop S3-16-26  
 Baltimore, MD 21244-1850  
 Tel 410.786.3000

**Keep Your Plan Informed of Address Changes**

In order to protect your and your family's rights, you should keep the Office of Health Benefits COBRA Administrator (see above) informed of any changes in your address and the addresses of covered family members. You should also keep a copy, for your records, of any notices you send to the COBRA Administrator.

**INSTRUCTION: KEEP THIS PAGE OR THE REMAINDER OF THIS PAGE BLANK TO ALLOW FOR A ONE-PAGE ELECTION FORM THAT CAN BE REMOVED FROM THIS NOTICE.**

## Extended Coverage/COBRA Continuation Coverage Election Form

**Instructions:** To elect Extended Coverage/COBRA, complete this Election Form and return it to the recipient listed below. Under federal law, you must have 60 days after the date of this notice (or 60 days after coverage is lost if that is later) to decide whether you want to elect Extended Coverage/COBRA under the Plan.

Send this completed Election Form to: **(Enter Name and Address)**

This Election Form must be completed and returned by mail or in person. No other forms of delivery (e.g., oral communication, telephone statements or electronic communications) will be accepted. If mailed, it must be post-marked no later than **(enter 60-day deadline as described above)**. If delivered in person, it must be delivered to the recipient listed above no later than **(enter 60-day deadline as described above)**.

If you do not submit a completed Election Form by the deadline shown above, you will lose your right to elect Extended Coverage/COBRA. If you reject Extended Coverage/COBRA before the deadline, you may change your mind as long as you furnish a completed Election Form before the above deadline.

Read the important information about your rights included in the pages behind this Election Form.

I (We) elect Extended Coverage/COBRA in the Commonwealth of Virginia Health Benefits Program (the Plan) as indicated below. (List all qualified beneficiaries enrolling in Extended Coverage/COBRA.)

Current Health Plan Identification Number: \_\_\_\_\_

Name	Date of Birth	Relationship to the Employee /Former Employee

Please check here if the employee was enrolled in a Health Flexible Spending Account (FSA) at the time of the coverage loss described in this notice and any qualified beneficiary wishes to keep this account active by paying the monthly premium amount required to maintain this FSA. However, if the Health FSA is overspent, continuation coverage is not available. The Benefits Administrator providing this Notice will advise you of the status of any available FSA.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Relationship to individual(s) listed above

\_\_\_\_\_  
Print Address to which premium billing should be sent

\_\_\_\_\_  
Telephone number

Please check here if the qualified beneficiary who was the covered employee, if applicable, was entitled to Medicare Part A, Part B, or both within the 18 months prior to this loss of coverage. If so, please indicate the entitlement date shown on the Medicare ID card: \_\_\_\_\_

**THIS IS THE BLANK BACK OF THE ELECTION FORM**

## **Important Additional Information** **About Your Extended Coverage/COBRA Continuation Rights**

### **What is Extended Coverage/COBRA?**

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a qualifying event that would result in a loss of coverage under an employer's plan. Extended Coverage is a term used to describe the continuation coverage provisions of the Public Health Service Act. These provisions for state and local government employees are comparable to COBRA (Consolidated Omnibus Budget Reconciliation Act) coverage for private employers. Depending on the type of qualifying event, qualified beneficiaries can include the employee (or former employee) covered under the group health plan, the covered spouse and/or the covered children.

Extended Coverage/COBRA is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects Extended Coverage/COBRA will have the same rights under the Plan as non-Extended Coverage/COBRA participants, including open enrollment and special enrollment rights.

Qualified beneficiaries who are entitled to elect Extended Coverage/COBRA may do so even if they have other group health plan coverage or are entitled to Medicare benefits on or before the date on which Extended Coverage/COBRA is elected. However, a qualified beneficiary's Extended Coverage/COBRA will terminate if, after electing Extended Coverage/COBRA, he or she becomes newly entitled to Medicare or becomes covered under another group health plan.

### **How long will Extended Coverage/COBRA last?**

The maximum period of Extended Coverage/COBRA available to qualified beneficiaries is based on the qualifying event. 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. If coverage is lost due to an employee's death or divorce, or a covered child losing eligibility 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, Extended Coverage/COBRA for qualified beneficiaries other than the employee may last until 36 months after the end of the month in which Medicare entitlement occurred.

Extended Coverage/COBRA 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 Extended Coverage/COBRA, under another group health plan,
- a qualified beneficiary becomes newly entitled to Medicare benefits after electing Extended Coverage/COBRA, or
- the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant not receiving Extended Coverage/COBRA (such as fraud).

**Instruction:** if the maximum period shown on page one of this notice is less than 36 months, add the following section:

### **How can you extend the length of Extended Coverage/COBRA?**

If you elect Extended Coverage/COBRA for an event that provides a maximum of 18 months of coverage, an extension of that period may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify the Office of Health Benefits COBRA Administrator of a disability or a second qualifying event in order to extend the period of Extended Coverage/COBRA. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of Extended Coverage/COBRA. Refer to "Notification Procedures" at the end of this document for specific instructions for requesting an extension of the Extended Coverage/COBRA 18-

month period. (The period of continuation coverage under a Health FSA cannot be extended under any circumstances.)

### *Disability*

An 11-month extension of coverage may be available if any qualified beneficiary 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 Extended Coverage/COBRA and must last at least until the end of the 18-month period of Extended Coverage/COBRA. The disability extension is available only if the Office of Health Benefits COBRA Administrator is notified of the Social Security Administration's determination of disability within 60 days of the latest of:

- the date of the Social Security Administration's disability determination;
- the date of the covered employee's termination of employment or reduction of hours;
- the date on which the qualified beneficiary lost (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination or reduction of hours;
- the date on which the qualified beneficiary is informed of the obligation to provide the disability notification (e.g., this notice).

Notice must also be provided within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to the disability extension. Each qualified beneficiary who has elected Extended Coverage/COBRA will be entitled to the 11-month disability extension if one of them qualifies. Refer to "Notification Procedures" for specific instructions for requesting an extension of the Extended Coverage/COBRA 18-month period.

If the qualified beneficiary is determined by SSA to no longer be disabled during the 11-month disability extension, the Plan should be notified within 30 days after SSA's determination. Failure to report the end of the disability status within the 30-day time limit will not preclude termination back to the date that coverage would have been terminated had it been reported on time (the first of the month that is 30 or more days after the re-determination). Premium paid during any period for which coverage should have been terminated will be refunded, and any claims paid will be reversed.

### *Second Qualifying Event*

An 18-month extension of coverage will be available to spouses and covered children who elect Extended Coverage/COBRA if a second qualifying event occurs during the first 18 months of Extended Coverage/COBRA. The maximum amount of Extended Coverage/COBRA available when a second qualifying event occurs is 36 months. Such second qualifying events may include the death of a covered employee, divorce from the covered employee, or a covered child's ceasing to be eligible for coverage 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 Extended Coverage/COBRA. Refer to "Notification Procedures" at the end of this document for specific instructions for requesting an extension of the Extended Coverage/COBRA 18-month period.

### *Health FSA*

Extended Coverage/COBRA under the Health FSA component, if enrolled at the time of the qualifying event, can only last until the end of the plan year in which the qualifying event occurred.

### **How much does Extended Coverage/COBRA cost?**

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly-situated plan participant who is not receiving Extended Coverage/COBRA. The required premium payment for each Extended Coverage/COBRA membership level available to you upon initial election was provided earlier in this document (in front of your Election Notice). This amount may be reduced by any premium reward that you earn or have previously earned.

### **Important Information About Payment**

*First payment for Extended Coverage/COBRA*

If you elect Extended Coverage/COBRA, you do not have to send any payment with the Election Form. However, you must make your first payment for Extended Coverage/COBRA not later than 45 days after the date of your election. (Under the Commonwealth of Virginia Health Benefits Program, this is the date that your Election Form is set up in the billing system.) If you do not make your first payment for Extended Coverage/COBRA in full within 45 days after the date your billing begins, you will lose all continuation coverage rights under the Plan. You are responsible for making sure that the amount of your first payment is correct. You will be contacted by the billing administrator with instructions for making your premium payments. The billing administrators are listed below based on your plan, and you may contact the administrator for your plan if you have any questions about the billing process and status of your account.

Plan	Billing Administrator	Telephone Number and Payment Address:
Any COVA Care Plan	Anthem Blue Cross and Blue Shield	800-552-2682
Any COVA HDHP Plan	Anthem Blue Cross and Blue Shield	800-552-2682
Any COVA HeathAware Plan	Payflex	855-414-1901
Kaiser Permanente HMO	Kaiser	800-777-7902

#### *Periodic Payments for Extended Coverage/COBRA*

After you make your first payment for Extended Coverage/COBRA, you will be required to make periodic payments for each subsequent coverage month. The periodic payments can be made on a monthly basis. Under the Plan, each of these periodic payments for Extended Coverage/COBRA is due on the first day of the coverage month. If you make a periodic payment on or before the first day of the coverage month to which it applies, your coverage under the Plan will continue for that coverage period without any break.

#### *Grace periods for periodic payments*

Although periodic payments are due on the first day of the coverage month, you will be given a grace period of 30 days after the first day of the coverage month. Your continuation coverage will be provided for each coverage month as long as payment for that coverage month is made by the end of the grace period for that payment. However, if you pay a periodic payment later than the first day of the coverage month to which it applies, but by the end of the grace period for the coverage month, your coverage under the Plan will be suspended as of the first day of the coverage month and then retroactively reinstated (going back to the first day of the coverage month) when the periodic payment is received. This means that any claim you submit for benefits while your coverage was suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a periodic payment by the end of the grace period for that coverage month, you will lose all rights to Extended Coverage/COBRA under the Plan. Payments are considered to be made on the date they are mailed. You will not be considered to have made any payment if your check is returned due to insufficient funds.

Your first payment and all periodic payments for Extended Coverage/COBRA should be sent to the billing administrator listed above for your plan. It is your responsibility to make these payments. Although these billing administrators generally provide either a monthly invoice (Anthem and Kaiser) or payment coupons (Payflex) as a courtesy, you are responsible for payment regardless of receipt of any monthly or annual reminder once you have received your first invoice and information as to where to send your payment. Any change in your basic premium will be provided during the annual open enrollment period each spring for coverage beginning the following July if you continue to be eligible. Premium rewards for Extended Coverage/COBRA qualified beneficiaries are subject to the same adjustments as those for similarly-situated non-Extended Coverage/COBRA participants.

#### **Extended Coverage/COBRA can apply to a Health Flexible Spending Account (FSA)**

Extended Coverage/COBRA applies to a Health FSA if the qualified beneficiaries losing coverage have accounts that are underspent. A qualified beneficiary has an underspent account if the annual limit elected under the Health FSA by the covered employee, reduced by reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for Health FSA continuation premiums that will be charged for the remainder of the plan year. Extended Coverage/COBRA will consist of the Health FSA coverage in force at the time of the qualifying event (e.g., the elected annual limit reduced by the reimbursable claims submitted up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year when Extended Coverage/COBRA also ends for the FSA. All qualified beneficiaries who were covered under the Health FSA component of the Plan will be covered together for Health FSA COBRA coverage. However, each qualified beneficiary could alternatively elect separate Extended Coverage/COBRA to cover that

qualified beneficiary only, with a separate health FSA annual coverage limit and separate continuation premium. If you qualify for Extended Coverage/COBRA and are interested in this alternative, contact your Benefits Administrator for more information.

### **Other Qualified Beneficiaries**

A child born to or placed for adoption with the covered employee during Extended Coverage/COBRA period is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected Extended Coverage/COBRA for him or herself. The child's Extended Coverage/COBRA period begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as Extended Coverage/COBRA lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements.

A child of the covered employee who is receiving benefits under the Plan pursuant to a Qualified Medical Child Support Order (QMCSO) received by the Commonwealth of Virginia employing agency during the covered employee's period of employment is entitled to the same rights to elect continuation coverage as any eligible child.

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

In order to protect your and your family's rights, you should keep the Office of Health Benefits COBRA Administrator informed of any changes in your address and the addresses of covered family members. You should also keep a copy, for your records, of any notices you send to the COBRA Administrator.

### **Notification Procedures**

**Following are specific instructions for providing notification to extend an 18-month Extended Coverage/COBRA period due to disability or a second qualifying event. Failure to comply with the following procedures will result in the loss of additional Extended Coverage/COBRA rights.**

**Notices must be written and submitted with all information listed below, and within the required time limit, to:**

**Office of Health Benefits COBRA Administrator  
101 North 14<sup>th</sup> Street, 13<sup>th</sup> Floor  
Richmond, VA 23219**

**However, if a different address for notices appears in the Plan's most recent Member Handbook, you must mail your notice to that address. If you do not have a copy of the Plan's most recent Member Handbook, you may request one by calling the Member Services number on your plan identification card.**

**Your notice must be mailed no later than the last day of the applicable notice period as described previously.**

**The following information must be provided:**

- **The name/s of the affected qualified beneficiary or qualified beneficiaries;**
- **The type of event about which you are providing notification (e.g., Social Security Disability, second qualifying event);**
- **The date of the event;**
- **Documentation to support the event (e.g., SSA disability determination, death certificate, divorce decree);**
- **The written signature, address and telephone number of the notifying party (qualified beneficiary or representative).**

**Notification may be provided by a qualified beneficiary or by a representative acting on behalf of a qualified beneficiary. The notice will satisfy any responsibility to provide notice on behalf of all qualified beneficiaries who lost coverage due to the qualifying event described in this notice.**

Enclosure: HIPAA Certificate of Creditable Coverage