

Questions and Answers About Your COBRA Continuation Coverage Rights and the COBRA Premium Reduction

Am I eligible for the COBRA premium reduction?

If you were involuntarily terminated from your employment between September 1, 2008 through May 31, 2010 and lost Public Employees Benefits Board (PEBB) employer-paid group health coverage, and are not eligible for Medicare, Medicaid, or other group health plan coverage, you may be entitled to receive the COBRA premium reduction. Information about the amount of the premium reduction and how it affects your premium payments can be found below under the question, “How much does COBRA continuation coverage cost?”

You may also qualify for the COBRA premium reduction if you previously lost employer-paid PEBB coverage due to reduced work hours on or after September 1, 2008, and were involuntarily terminated between March 2, 2010 and May 31, 2010. You must not be eligible for Medicare, Medicaid, or other group health plan coverage.

How can I elect COBRA and apply for the premium reduction?

You must complete the *COBRA Continuation Coverage Election Form for Premium Reduction* and the *Request for Treatment as an Assistance Eligible Individual* form and submit them according to the directions on the forms. Each qualified beneficiary has a separate right to elect COBRA continuation coverage. For example, the employee’s spouse may elect continuation coverage even if the employee does not. Continuation coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to continue coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all qualified beneficiaries.

How much does COBRA continuation coverage 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 or beneficiary who is not receiving continuation coverage.

The American Recovery and Reinvestment Act of 2009 (ARRA) reduces the COBRA premium in some cases. The premium reduction is available to certain individuals who meet the criteria above in “Am I eligible for the COBRA premium reduction?” If you qualify for the premium reduction, you need only pay 35 percent of the COBRA premium otherwise due to the PEBB Program. This premium reduction is available for up to 15 months. If your COBRA or other PEBB continuation coverage period lasts for more than 15 months, you will have to pay the full monthly premium for the remaining months if you choose to continue coverage. See the *Summary of the COBRA Premium Reduction Provisions under ARRA* for more details, restrictions, and obligations to establish eligibility.

When and how must payment for COBRA continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, you do not have to send any payment with the *COBRA Continuation Coverage Election Form for Premium Reduction*. However, you must make your first payment for continuation coverage no later than **45 days** after the date of your election (this is the date the election form is postmarked, if mailed) or you will lose all continuation coverage rights under the

PEBB Program. You are responsible for making sure that the amount of your first payment is correct. **You will not be enrolled until we receive your first payment, which may need to cover several months of coverage depending on when you submit your election form.** Call HCA Accounting at 1-800-200-1004 to confirm the amount of your payment due.

How long will continuation coverage last?

Your coverage will begin on the first day of the month after you lost employer-paid health coverage, and can generally continue for up to 18 months from the date of your involuntary termination of employment or loss of employer-paid PEBB coverage. The duration of the premium reduction is determined separately and will last for a maximum of 15 months.

An assistance eligible individual's COBRA premium reduction will terminate before the end of the 15-month period if:

- Any required premium is not paid in full on time (**this will terminate your rights to all PEBB continuation coverage, not just the COBRA premium reduction**);
- An assistance eligible individual becomes eligible for other group health coverage;
- An assistance eligible individual 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;
- An assistance eligible individual becomes entitled to Medicare benefits (under Part A, Part B, or both) or Medicaid after electing continuation coverage;
- The employer ceases to provide PEBB health coverage for its employees; or
- The 18-month COBRA continuation period has expired.

Continuation coverage may also be terminated for any reason the PEBB Program would terminate coverage of a participant (such as fraud).

For more information

This notice does not fully describe continuation coverage or other rights under the PEBB Program. More information about continuation coverage and your rights is available in your health plan's Certificate of Coverage or in the PEBB's *Continuation of Coverage Election Notice* booklet.

If you have any questions concerning the information in this notice or your rights to coverage, or if you want a copy of the *Continuation of Coverage Election Notice* booklet, you should contact the PEBB Program at 1-800-200-1004 or go online to www.pebb.hca.wa.gov.

State and local government employees seeking more information about their rights should contact the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services (HHS-CMS) by calling 1-866-400-6689 or go online to www.cms.gov/COBRAContinuationofCov/.

Keep the PEBB Program informed of address changes

To protect your and your family's rights, you should keep the PEBB Program informed of any changes in your or a family member's address. You can do this by calling the PEBB Program at 1-800-200-1004, or notifying us in writing at Health Care Authority, PEBB Program, P.O. Box 42684, Olympia, WA 98504-2684. You should also keep a copy, for your records, of any notices you send to the PEBB Program.