



# PEBB Initial Notice of COBRA and Continuation Coverage Rights

You are receiving this booklet because you recently enrolled in Public Employees Benefits Board (PEBB) coverage. It contains information about your right to extend PEBB health coverage after certain events cause your PEBB coverage to end.

This booklet explains how and when to notify us when events occur that affect your family's eligibility. You must notify us when any of the following events occur:

- Death
- Divorce
- Legal separation
- Termination of a qualified or Washington State-registered domestic partnership
- When a child loses eligibility

To protect your family's rights to continue PEBB coverage, you must follow the notification procedures and timeframes for reporting these events and making decisions about your health coverage. The forms and instructions you need are available on PEBB's website at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov) or by calling the PEBB Program at 1-800-200-1004.

***Please keep this booklet for future use.***

## PEBB contact information

You may obtain information about PEBB eligibility, COBRA, and other continuation coverage from:

### **Mailing address**

Health Care Authority  
PEBB Program  
P.O. Box 42684  
Olympia, WA 98504-2684

### **Street address**

Health Care Authority  
PEBB Program  
676 Woodland Square Loop SE  
Lacey, WA 98503

Phone: 1-800-200-1004 or 360-412-4200

PEBB website: [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov)

You may find the Public Employees Benefits Board's existing laws in chapter 41.05 of the Revised Code of Washington (RCW), and rules in chapters 182-04, 182-08, 182-12, 182-13, and 182-16 of the Washington Administrative Code (WAC). These are available on the Office of the Code Reviser's website at [slc.leg.wa.gov](http://slc.leg.wa.gov).

To obtain this document in another format (such as Braille or audio), call our Americans with Disabilities Act (ADA) Coordinator at 360-923-2805. TTY users (deaf, hard of hearing, or speech impaired), call 360-923-2701 or toll-free 1-888-923-5622.

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# About COBRA continuation coverage

**The right to COBRA continuation coverage was created by a federal law—the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). 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 your COBRA rights. Certain beneficiaries may not be eligible for COBRA, but may be eligible for other continuation coverage. For more information, call the PEBB Program at 1-800-200-1004.**

You are receiving this notice because you are eligible for Public Employees Benefits Board (PEBB) coverage. The PEBB Program is administered by the Washington State Health Care Authority (HCA). We are required by federal law to provide you with this initial notice of COBRA rights when you first become eligible for PEBB health coverage.

This notice provides important information about your right to COBRA continuation coverage. COBRA is a temporary extension of PEBB group health coverage. It is available to you and your covered family members when a qualifying event occurs that would cause PEBB coverage to end. COBRA continuation coverage eligibility and administrative requirements are governed by federal regulations.

After a qualifying event occurs and you notify the PEBB Program, COBRA continuation coverage must be offered to each person losing PEBB coverage who is a qualified beneficiary. You, your spouse, and your dependent child(ren) could be qualified beneficiaries and would be entitled to choose COBRA continuation coverage if PEBB coverage is lost because of a qualifying event.

**If you or a family member chooses COBRA continuation coverage, you will have to pay the full cost of coverage each month from the date you lose PEBB coverage.** There is no employer subsidy for COBRA continuation coverage.

There can be no break in coverage when you change from employer-subsidized coverage to continuation coverage. You have **60 days** to decide if you want

COBRA continuation coverage. You will be responsible for paying the premiums each month from the time your PEBB coverage ends and you choose COBRA, even if you didn't receive any covered health services during that time. You may select coverage, but you will not be enrolled until we receive your first full payment.

This notice does not fully describe COBRA or other continuation coverage or your other rights under PEBB rules. For additional information about your rights and obligations under PEBB rules and federal law, read the *Continuation of Coverage Election Notice* booklet online at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov) or contact the PEBB Program.

A COBRA continuation of coverage rate schedule is available online at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov) or from the PEBB Program at 1-800-200-1004 or 360-412-4200.

**COBRA continuation coverage is available to PEBB-eligible employees and their dependents who lose medical and/or dental coverage due to a “qualifying event.”**

**Examples of qualifying events are divorce, marriage, leaving your job, and reaching the age limit for dependent child coverage.**

**Eligible enrollees may choose to continue medical, dental, or both for a limited time on a self-pay basis.**

## What other continuation coverage options are available under PEBB rules?

There are three other continuation of coverage options that may be available to PEBB enrollees:

- **Extension of Coverage**—An alternative created for PEBB enrollees who are not eligible for COBRA. Rates are the same as COBRA continuation of coverage rates.
- **Leave Without Pay (LWOP) coverage**—An alternative available to PEBB enrollees in specific situations. Rates are the same as COBRA continuation of coverage rates. A LWOP rate schedule is available at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov) or from the PEBB Program at 1-800-200-1004 or 360-412-4200.
- **PEBB retiree coverage**—Available only to individuals who meet eligibility criteria in Washington Administrative Code 182-12-171, or surviving dependents who meet eligibility criteria in WAC 182-12-250 or 182-12-265.

HCA administers COBRA, PEBB Extension of Coverage, LWOP, and PEBB retiree coverage.

**If you enroll in a flexible spending account (FSA) in 2010 and later terminate employment, retire, or go on unpaid leave, your eligibility for your FSA may change. You may elect to continue your FSA account by contacting ASIFlex, the PEBB Program's FSA administrator, at 1-800-659-3035 or by sending an email to [asi@asiflex.com](mailto:asi@asiflex.com).**

## Who is entitled to COBRA continuation coverage?

### *COBRA qualifying events for the covered employee*

If you are an employee, you will be entitled to choose COBRA to continue your PEBB medical and/or dental coverage if you lose your coverage for either of the following reasons:

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

### *Qualifying events for the covered spouse*

If you are the covered spouse of an employee, you will be entitled to choose COBRA if you lose your PEBB coverage for any of the following reasons:

- The employee dies, and you do not qualify for surviving dependent coverage.
- The employee's hours of employment are reduced.
- The employee's employment ends for any reason other than his or her gross misconduct.
- You become divorced or legally separated.

### *Qualifying events for dependent children*

If you are the dependent child of an employee, you will be entitled to COBRA continuation coverage if you lose your PEBB coverage for any of the following reasons:

- Your parent (the employee) dies.
- Your parent's (the employee's) hours of employment are reduced.
- Your parent's (the employee's) employment ends for any reason other than his or her gross misconduct.
- You no longer qualify as a dependent child under PEBB rules.

## Who is entitled to PEBB Extension of Coverage?

If you are the Washington State-registered domestic partner of a PEBB enrollee, the child of a Washington State-registered domestic partner, or a COBRA beneficiary who becomes entitled to Medicare, you are not eligible for COBRA coverage. However, PEBB Extension of Coverage may be available to you.

To preserve your rights to this coverage, you must meet the eligibility requirements and comply with the notice and procedure requirements described in the *Continuation of Coverage Election Notice*.

### **Qualifying events for Washington State-registered domestic partners and their child(ren)**

If you are an employee's Washington State-registered domestic partner or the covered child of the employee's Washington State-registered domestic partner, you may be entitled to PEBB Extension of Coverage if you lose PEBB coverage for any of the following reasons:

- The employee dies, and you do not qualify for surviving dependent coverage.
- The employee's hours of employment are reduced.
- The employee's employment ends for any reason other than his or her gross misconduct.
- The domestic partnership is terminated.
- You no longer qualify as a dependent child under PEBB rules.

## Who is entitled to LWOP coverage?

### **Qualifying events for the covered employee**

If you are an employee who will lose your PEBB coverage for one of the following reasons, you may be entitled to LWOP coverage to continue PEBB medical, dental, or life insurance coverage (and in the case of educational leave, long-term disability coverage) for yourself and your covered dependents for a maximum of 29 months. Continuation coverage will be offered to qualified beneficiaries only after the PEBB Program has been notified that one of the following qualifying events has occurred:

- You are on an authorized leave without pay from your agency.
- Your employment ends due to a layoff.
- You are receiving time-loss benefits under workers' compensation.
- You are applying for disability retirement.
- You are called to active duty in the uniformed services as defined under the Uniformed Services Employment and Reemployment Rights Act (USERRA). (Employees on leave due to active duty may continue long-term disability for up to 24 months.)
- You are on approved educational leave (employees on educational leave may continue long-term disability for up to 24 months).
- You are a faculty who is between periods of eligibility.
- You are an employee who reverted to a position that is not eligible for employer-sponsored benefits.
- You are an employee appealing a dismissal action.
- You are a seasonal employee between seasons of employment.

## Who is entitled to PEBB retiree coverage?

### *Employees*

If you are an eligible employee who terminates your PEBB coverage after becoming vested in a Washington State-sponsored retirement system, and you are eligible as defined in PEBB rules (see WAC 182-12-171), you may be entitled to elect PEBB retiree coverage to continue PEBB medical and dental or medical-only coverage for you and your eligible dependents. You may also be entitled to elect enrollment in PEBB retiree term life insurance. A retiree rate schedule is available online at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov).

### *Dependents*

You may be entitled to elect PEBB retiree coverage if you are a:

- Spouse or eligible dependent child of an emergency service employee killed in the line of duty, and you meet eligibility as defined in WAC 182-12-250;
- Spouse, Washington State-registered domestic partner, or eligible dependent child of a deceased eligible employee, and you meet eligibility defined in WAC 182-12-265.
- Spouse, Washington State-registered domestic partner, or eligible dependent child of a deceased eligible retiree, and you meet eligibility defined in WAC 182-12-265.
- Spouse, Washington State-registered domestic partner, or eligible dependent child of a deceased school district or educational service district employee, and you meet eligibility defined in WAC 182-12-265.

## When is COBRA or other continuation coverage available?

COBRA or other continuation coverage will be offered to qualified beneficiaries only after the PEBB Program has been notified that a qualifying event has occurred.

Your **employer** must notify us when any of these qualifying events occurs:

- The employee's employment ends.
- The employee's hours of employment are reduced.
- The death of the employee.

**You must notify us of other qualifying events, such as:**

- Divorce, legal separation, or the termination of a Washington State-registered domestic partnership.
- When a dependent child loses PEBB eligibility.

You must notify the PEBB Program in writing no later than **60 days** after the date of the qualifying event or the date the qualified beneficiary loses (or would lose) coverage under PEBB rules as a result of the qualifying event, whichever occurs last.

When you notify us, you must do so in writing. If these procedures are not followed, or if the notice is **not** provided in writing to the PEBB Program within 60 days, **you will lose your right to elect COBRA or other continuation coverage.**

## Choosing COBRA or other continuation coverage

Each qualified beneficiary will have an independent right to choose COBRA or other continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses and their children.

To elect COBRA continuation coverage, you must pay your premiums within **45 days** of the date you choose COBRA coverage. Failure to select coverage and pay premiums within these deadlines will result in the loss of your COBRA rights. You may select coverage, but you will not be enrolled until we receive your first full payment.

## How long does continuation coverage last?

**COBRA, PEBB Extension of Coverage, and LWOP coverage** provide temporary continuation of coverage. The periods described are maximum coverage periods.

### ***When the qualifying event is a termination of employment or reduction of hours***

When PEBB coverage is lost due to the end of employment or a reduction of the employee's hours, continuation coverage generally can last for up to 18 months subject to other provisions in this booklet.

### ***When the covered employee becomes entitled to Medicare within 18 months before termination of employment or reduction in hours***

When PEBB coverage is lost due to termination or a reduction in the employee's hours, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, continuation coverage for the employee's qualified dependents who lose coverage can last up to 36 months after the date of the Medicare entitlement.

For example, if a covered employee becomes entitled to Medicare eight months before the date his or her employment ends, continuation coverage for the

spouse and children who lost coverage from the employee's termination can last up to 36 months after the date of Medicare entitlement. This equals 28 months after the date of the qualifying event (36 months minus eight months).

### ***Limited right to a maximum of 29 months for employees on approved LWOP***

When an employee loses PEBB coverage due to one of the following events, continuation coverage generally can last for a maximum of 29 months:

- You are on an authorized leave without pay from your agency.
- Your employment ends due to a layoff.
- You are receiving time-loss benefits under workers' compensation.
- You are applying for disability retirement.
- You are called to active military duty in the uniformed services as defined under the Uniformed Services Employment and Reemployment Rights Act (USERRA).
- You are on approved educational leave. (Employees on educational leave may continue long-term disability for up to 24 months.)

### ***When an employee loses coverage due to reversion to a position that is ineligible for benefits (not a layoff)***

Continuation coverage can last up to 18 months, as stated in WAC 182-12-141.

### ***When a faculty loses coverage between periods of eligibility***

LWOP coverage can last up to 12 months, as stated in WAC 182-12-142. Faculty who use up the months of LWOP coverage may continue medical and dental for the remaining difference in months allowed under COBRA.

### ***When a seasonal employee loses coverage between seasons of eligibility***

LWOP coverage can last through the off-season as described in WAC 182-12-142. Seasonal employees who use up the months of LWOP coverage may

continue medical and dental for the remaining difference in months allowed under COBRA.

***When an employee loses coverage because of a dismissal, and appeals the dismissal***

LWOP coverage can last until the dismissal is upheld or overturned for up to 29 months, as stated in WAC 182-12-148.

***When the qualifying event is death, divorce, legal separation, termination of a Washington State-registered domestic partnership, or a child's loss of dependent status***

Continuation coverage can last up to 36 months.

**PEBB retiree coverage** is available to eligible subscribers until death.

***When the qualifying event is death of the employee or retiree***

Surviving dependents who qualify under WAC 182-12-250 and 182-12-265 may be eligible to continue coverage under PEBB retiree coverage as described below:

- The spouse or Washington State-registered domestic partner may continue coverage until death.
- The dependent children may continue coverage until they are no longer eligible under WAC 182-12-260.

## **Limited right to extend COBRA or LWOP coverage**

An extension of the maximum 18-month period of continuation coverage available under COBRA or LWOP may be available if you or a qualified beneficiary becomes disabled or a second qualifying event occurs.

You must notify the PEBB Program within **60 days** of a disability or a second qualifying event to extend the continuation coverage period. **If you don't, you will lose the right to extend continuation coverage.**

These extension opportunities do not apply to continuation coverage resulting from a covered employee's death, divorce or legal separation, termination of a Washington State-registered domestic partnership, or a dependent child's loss of eligibility.

### ***Disability extension of COBRA, PEBB Extension of Coverage, or LWOP coverage***

If the Social Security Administration determines that you or a qualified beneficiary is disabled and you notify the PEBB Program as described below, you and all of the qualified beneficiaries in your family may be entitled to receive up to an additional 11 months of continuation coverage, for a total of 29 months.

**The disability must have started before the 61<sup>st</sup> day after the covered employee's termination of employment or reduction of hours**, and must last at least until the end of the initial continuation coverage period (generally 18 months).

### ***Deadline***

The disability extension is available only if you notify the PEBB Program in writing within **60 days** after whichever of the following events occurs last:

- 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 the qualified dependent loses (or would lose) coverage under PEBB rules as a result of the

covered employee's termination of employment or reduction of hours.

To request a disability extension, you must send your request in writing along with a copy of a disability award letter from the Social Security Administration.

### ***Second qualifying-event extension of COBRA, PEBB Extension of Coverage, or LWOP coverage options***

An extension of COBRA, PEBB Extension of Coverage, or LWOP coverage may be available to spouses, Washington State-registered domestic partners, and dependent children who are receiving continuation coverage if a second qualifying event occurs during the 18 months (or in some cases, 29 months) following the covered employee's termination of employment or reduction of hours. The maximum total 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 legal separation, termination of a Washington State-registered domestic partnership, or a dependent child's loss of eligibility under PEBB rules. An event qualifies as a second qualifying event only if it would have caused the qualified beneficiary to lose coverage under PEBB rules if the first qualifying event had **not** occurred.

### ***Deadline***

Extension of coverage due to a second qualifying event is available only if you notify the PEBB Program in writing of the second qualifying event within **60 days** after the last of the following events:

- The date of the second qualifying event.
- The date the qualified beneficiary would lose coverage under PEBB rules as a result of the second qualifying event (if it had occurred while the qualified beneficiary was still covered under PEBB).

If the second qualifying event is divorce, please send a copy of the divorce decree.

## **Other individuals who may be qualified beneficiaries**

### ***Children***

A child born to, adopted by, or placed for adoption with a covered employee, retiree, spouse, or Washington State-registered domestic partner during a period of continuation coverage is a qualified beneficiary if the employee, retiree, spouse, or domestic partner has elected continuation coverage for himself or herself.

The child's continuation coverage begins when he or she is enrolled in PEBB coverage within **60 days** of the birth, adoption or placement for adoption, or during open enrollment. Coverage lasts as long as the continuation coverage for other family members. To be enrolled in PEBB, the child must meet other PEBB eligibility requirements for child dependents.

### ***Alternate recipients under Qualified Medical Child Support Orders (QMCSOs)***

A child of the covered employee, retiree, spouse, or Washington State-registered domestic partner who is receiving PEBB benefits due to a QMCSO received by the PEBB Program is entitled to the same rights to elect continuation coverage as an eligible dependent child.

## **If you have questions**

Questions concerning your PEBB eligibility or your continuation coverage rights should be addressed to the PEBB Program.

For more information about your rights under COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other federal laws affecting group health plans, contact the nearest regional or district office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

## **Contact us**

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Reach the PEBB Program by telephone at:  
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360-412-4200

Information about the PEBB Program is available online at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov).

## **Notify the PEBB Program of address changes**

To protect your family's rights, you should keep us and your employer informed of any address changes for covered family members.



**Washington State  
Health Care Authority**  
*Public Employees Benefits Board*

P.O. Box 42684  
Olympia, WA 98504  
HCA 50-800 (12/09)