



# PEBB Initial Notice of COBRA and Continuation Coverage Rights

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You are receiving this booklet because you recently enrolled in Public Employees Benefits Board (PEBB) coverage. It contains important information about your right to an extension of PEBB health coverage in certain situations that 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 are responsible for notifying us when any of the following events occur:

- Death
- Divorce
- Legal separation
- Termination of a qualified 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 Web site at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov) or by calling PEBB Benefit Services at 1-800-200-1004.

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

## PEBB contact information

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

**Mailing address**

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

**Street address**

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

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

PEBB Web site: [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 Web site 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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**COBRA continuation coverage is available to eligible PEBB 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 coverage.**

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

## About COBRA continuation coverage

*The right to COBRA continuation coverage was created by a federal law—the Consolidated Omnibus Budget Reconciliation Act of 1985 (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 PEBB Benefit Services at 1-800-200-1004.*

You are receiving this notice because you are eligible for Public Employees Benefits Board (PEBB) coverage. PEBB 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 PEBB Benefit Services, 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 plus an administrative fee 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

**If you enroll in a flexible spending account (FSA) in 2008 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 ASI, the PEBB program's FSA administrator, at 1-800-659-3035 or by sending an e-mail to [asi@asiflex.com](mailto:asi@asiflex.com).**

federal law, review the *Continuation of Coverage Election Notice* booklet online at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov) or contact PEBB Benefit Services.

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

## **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. Premiums are set at the full cost of coverage, but there is no administrative fee. An LWOP rate schedule is available at [www.pebb.hca.wa.gov](http://www.pebb.hca.wa.gov) or from PEBB Benefit Services at 1-800-200-1004 or 360-412-4200.
- PEBB-sponsored 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-sponsored Retiree Coverage.

## **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 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.

### ***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:

- Your spouse dies.
- Your spouse's hours of employment are reduced.
- Your spouse's employment ends for any reason.
- You become divorced or legally separated from your spouse. (If your spouse—the employee or retiree—reduces or eliminates your PEBB medical or dental coverage in anticipation of a divorce or legal separation, the divorce or legal separation, when it occurs, may be considered a qualifying event for you.)

### ***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.
- You no longer meet PEBB's definition of a dependent child.

## **Who is entitled to PEBB Extension of Coverage?**

If you are the qualified domestic partner of a PEBB enrollee, or his or her child, you are not eligible for COBRA coverage but 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 qualified domestic partners and their child(ren)***

If you are an employee's qualified domestic partner or the covered child of the employee's qualified 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 qualified domestic partnership is terminated.
- As the dependent child of a qualified domestic partner, 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 PEBB Benefit Services has been notified that one of the following qualifying events has occurred:

- You are on an authorized leave from your agency.
- You are laid off because of a reduction in force (RIF).
- You are receiving time-loss benefits under workers compensation.

**Notify PEBB Benefit Services in writing of events that affect the eligibility of you or members of your family who are covered by COBRA continuation of coverage.**

**You should keep a copy of any notices you send to the PEBB program for your records.**

- 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 Act (USERRA)
- You are on approved educational leave (employees on educational leave may continue long-term disability for up to 24 months).

### ***Part-time faculty, part-time academic employees and employees who return to a previous position***

You may be entitled to LWOP coverage to continue PEBB medical, dental, and life insurance for yourself and your covered dependents for 18 months if you are an employee who will lose your PEBB coverage for one of the following reasons:

- You are a part-time faculty member or a part-time academic employee between periods of eligibility.
- You are an employee who returned to a previously held position and you are not eligible for employer-sponsored benefits.

### ***Dismissed employees appealing dismissal***

If you are an employee who will lose your PEBB coverage because of a dismissal, you may be entitled to elect LWOP coverage to continue your PEBB medical, dental, and life insurance. LWOP coverage may be available to you and your covered dependents for a maximum of 29 months or the end of the month in which a decision is reached on your appeal of the dismissal and the premiums have been paid, whichever happens first.

## **Who is entitled to PEBB-sponsored 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-sponsored retiree coverage to continue PEBB medical and dental coverage for you and your eligible dependents. You may also be entitled to elect enrollment in PEBB-sponsored 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-sponsored 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, qualified domestic partner, or eligible dependent child of a deceased eligible employee, and you meet eligibility defined in WAC 182-12-265(1)(a) or (b);

## Notify PEBB Benefit Services 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.

- Spouse, qualified domestic partner, or eligible dependent child of a deceased eligible retiree, and you meet eligibility as defined in WAC 182-12-265(2); or
- Spouse, qualified domestic partner, or eligible dependent child of a deceased **school district or educational service district employee**, and you meet eligibility as defined in WAC 182-12-265(3).

## When is COBRA or other continuation coverage available?

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

Your **employer** must notify PEBB Benefit Services 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 PEBB Benefit Services of other qualifying events, such as:

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

You must notify PEBB Benefit Services in writing within **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 PEBB Benefit Services 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 parents may elect COBRA continuation coverage on behalf of 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.

**If you fail to follow PEBB notification procedures and deadlines when you request a disability extension of LWOP continuation coverage, we will not approve your extension**

## **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 death, divorce, legal separation, termination of a qualified domestic partnership, or a child's loss of dependent status***

Continuation coverage can last up to 36 months.

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

When PEBB coverage is lost due to termination or reduction in hours for an employee who became entitled to Medicare benefits less than 18 months before the qualifying event, continuation coverage for the employee's qualified dependents who lose coverage as a result of the qualifying event can last up to 36 months after the date of the employee's 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 28 months beyond the employee's termination date.

### ***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 reduction of the employee's hours, continuation coverage generally can last for up to 18 months, subject to other provisions in this booklet.

### ***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.
- You are laid off because of a reduction in force (RIF).
- 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 Act (USERRA).
- You are on approved educational leave. (Employees on educational leave may continue long-term disability for up to 24 months.)

## Contact Us

You may obtain information about PEBB eligibility and COBRA coverage by writing to us at:

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

We are located at:  
676 Woodland Square Loop SE  
Lacey, WA 98503

Reach PEBB Benefit Services by telephone at:  
1-800-200-1004 or  
360-412-4200

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

## Limited right to an extension of the COBRA or LWOP continuation coverage period

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

You must notify PEBB Benefit Services of a disability or a second qualifying event to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event will eliminate the right to extend the period of 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 qualified domestic partnership, or a dependent child's loss of eligibility.

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

If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify PEBB Benefit Services as described below, 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 PEBB Benefit Services 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 letter from the Social Security Administration, approving the disability.

### ***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, qualified domestic partners, and dependent children who are receiving continuation coverage if a second qualifying event occurs during the 18 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 qualified domestic partnership, or a dependent child's loss of dependent eligibility under PEBB rules. An event qualifies as a second qualifying event only if it would have caused the qualified beneficiary to lose PEBB coverage and qualify for COBRA or PEBB continuation coverage if the first qualifying event had **not** occurred.

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

- 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).

To request a second qualifying event extension, you must send your request in writing. If the second qualifying event is divorce, please send a copy of the divorce decree.

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

### ***Children born to or placed for adoption with the covered employee during a period of continuation coverage***

A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA or other continuation coverage is a qualified beneficiary if the employee has chosen COBRA or other continuation coverage for himself or herself.

The child's COBRA 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 the employee's 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***

A child of the covered employee who is receiving PEBB benefits due to a Qualified Medical Child Support Order (QMCSO) received by PEBB Benefit Services is entitled to the same rights to elect COBRA or other continuation coverage as an eligible dependent child of the covered employee.

## **If you have questions**

Questions concerning your PEBB eligibility or your COBRA or other continuation coverage rights should be addressed to PEBB Benefit Services.

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 Web site at **[www.dol.gov/ebsa](http://www.dol.gov/ebsa)**.



**Washington State  
Health Care Authority**

*Public Employees Benefits Board*

P.O. Box 42684

Olympia, WA 98504

HCA 50-800 (11/07)

Change Service Requested