



Administrative Policy Manual

Policy No: A-3

Date: 12-1-10

Approved: *Dan Marting*

SUBJECT: CONTINUANCE OF MEDICAL COVERAGE (COBRA)

PURPOSE: To define eligibility requirements and enrollment process required by the Consolidation Omnibus Budget Reconciliation Act (COBRA) of 1985, a federally mandated program that requires continuation of health coverage in the event coverage terminates for an employee or dependents and continues identical health coverage regardless of pre-existing conditions.

GENERAL POLICY:

Employees of the city and his/her dependents are eligible to continue medical, dental and vision insurance through COBRA.

PROVISIONS:

1. An employee and/or dependent(s) COBRA coverage shall be for 18 months for the following qualifying events:
 - a. Separation from employment;
 - b. Resignation;
 - c. Involuntary termination;
 - d. Reduction in time base;

Under Cal-COBRA, benefits may continue an additional 18 months. The monthly premium for the additional 18 months is 110% of the health plan rate.

2. Dependents are eligible and may enroll in COBRA for 36 months for the following qualifying events:
 - a. Divorce;
 - b. Legal separation or spouse moves out of household;
 - c. Death of an employee/annuitant that causes a covered spouse or dependent child(ren) to lose benefits (Survivor is pending determination for survivor benefits due to the "Pre-Retirement Death" of a member);
 - d. Employee becomes eligible for Medicare;
 - e. Dependent child ceases to be a dependent reaching the age of 26 (age of dependent child subject to change).

3. If a secondary event occurs during the first 18 months of coverage, coverage is continued for 36 months from the time of the original event. Secondary events include divorce, legal separation, death, Medicare coverage, or a dependent child ceasing to be a dependent. The secondary event coverage is mandated by COBRA, and will be at 102% of the health plan premium.
4. COBRA coverage terminates because of:
 - a. Termination of employer contracted health benefits coverage.
 - b. Failure to pay the premium within 31 days of the due date.
 - c. Subscriber becomes entitled to Medicare coverage (however, coverage for dependents may continue).
 - d. Coverage as an employee under another group health plan, except if the other plan excludes a pre-existing condition which the COBRA coverage does not.
 - e. The expiration of the applicable coverage period.
5. Any changes a COBRA enrollee makes goes directly to the health, dental and vision plan provider.
6. The City of Indio will notify the affected employees and/or dependents of his/her COBRA rights within 45 days of separation or dependents losing coverage. Coverage is continuous and a payment for premiums must be made from the date coverage is lost.
7. COBRA participants may continue his/her dental and vision coverage beyond the 18 months so long as payments are continued in a timely manner to the Finance Department. Participants can cancel at anytime.
8. The Human Resources Office will notify the affected employee at the time of separation or mail the necessary paperwork to the address the employee has on file with Human Resources. Documents must be turned into the Human Resources Office as soon as possible.