

POLICY ON COBRA COMPLIANCE

Dated: October 29, 2014

Supersedes: COBRA COMPLIANCE, HR.317 dated April 20, 2005

I. PURPOSE

To conform to the administrative guidelines of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) as it applies to the rights of employees and their dependents to continue their health benefits beyond the date they would otherwise end.

II. POLICY

It is the policy of New York Medical College to comply with the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 and to ensure continuation of insurance coverage to COBRA eligible participants until the end of the extended length of coverage or they become covered under another plan, whichever occurs first.

Open enrollment periods are open to COBRA participants to change their carriers and their type of coverage. They may add or drop dependents. Each qualified beneficiary has individual rights. For example, in a family of four (4), each member may elect individual coverage or all members may choose one family contract.

III. SCOPE

This policy applies to all College faculty and staff employees participating in the College's medical and dental benefit plans, including eligible dependents.

COBRA benefits are available to Collective Bargaining Unit employees through the respective Union Benefit Fund.

IV. DEFINITIONS

A. Qualifying Events

1. Termination of employee except for gross misconduct.
2. Reduction in scheduled hours to less than seventeen and one-half (17.5) hours per week.
3. Divorce or legal separation.
4. Death of a covered employee.
5. Loss of dependent status (age twenty-six (26) or older).
6. The COBRA covered participant becomes eligible for

Medicare.

B. Qualified Beneficiaries (known also as eligible dependents)

1. The formerly covered employee.
2. The spouse (during active coverage).
3. Eligible dependent children as established by the Plan.

C. Maximum Length of Extended Coverage

1. Eighteen (18) month coverage applies to:
 - a. Terminated employees.
 - b. Employees whose scheduled work hours are reduced below seventeen and one-half (17.5) hours per week.
 - c. Retirees or early retirees.
2. Thirty-six (36) month coverage applies to:
 - a. Loss of dependent status.
 - b. Death of a covered employee
 - c. Divorce or legal separation of covered spouse and/or dependents
 - d. Medicare eligibility of covered employee.
3. Twenty-nine (29) month coverage applies to:
 - a. Qualified beneficiary who is determined, under the Social Security Act, to have been disabled at the time of the qualifying event occurring (or received a Social Security ruling during the initial eighteen (18) months of COBRA eligibility) AND the qualified disabled beneficiary was eligible for the initial eighteen (18) months length of extended coverage.
 - b. Benefits will be continued for a disabled employee for the duration of the disability in keeping with the provisions of the College's short and long term disability policies. COBRA eligibility begins when these policies no longer apply.
4. If during the initial eighteen (18) month COBRA period, a second qualifying event occurs, the

maximum COBRA period is thirty-six (36) months from the date of the first qualifying event. If the COBRA eligible participant is disabled and qualified for the twenty-nine (29) months of extended coverage, the maximum extension would still be thirty-six (36) months. At no time should the length of COBRA extended coverage exceed thirty-six (36) months.

D. COBRA coverage

The exact duplicate of medical and dental insurance maintained prior to the qualifying event.

E. Premiums

The total cost of the premium plus a two percent (2%) administrative fee.

F. COBRA - Consolidated Omnibus Reconciliation Act of 1986

V. PROCEDURE

The period for which benefits may be continued varies depending on the qualifying event. Once a qualifying event occurs, as defined in Section IV.A. above, there are two different procedures to follow.

A. Termination, reduction in hours, less than seventeen and one-half (17.5) hours per week, or retiree/early retiree

1. The Department Administrator or Affiliation Officer must process a Personnel Action Form (HR-31). The PAF form must be submitted to Human Resources in Valhalla within five (5) working days from the date of termination.
2. The COBRA Administrator will notify the qualified beneficiaries by mail within fourteen (14) days of the notification date or Date of Termination, whichever is later.
3. The qualified beneficiary must return the completed COBRA Election Form within sixty (60) days of the notification date or Date of Termination, which is later, to the COBRA Administrator.
4. The initial premium payment must be made within forty-five (45) days of the date of election to continue coverage.

B. Loss of dependent status, divorce or legal separation, or Medicare

eligibility of COBRA covered beneficiary

1. The employee must notify the COBRA Administrator WITHIN THIRTY-ONE (31) DAYS of lapsed eligibility that:
 - a. The dependent child is age 26.
 - b. The COBRA participant becomes divorced or legally separated. The participant must provide a copy of the divorcee decree or legal separation papers to the COBRA Administrator with a qualifying event form.
 - c. The COBRA covered participant becomes Medicare eligible and the spouse is not. The participant on COBRA must provide the COBRA Administrator with all the requested information.
2. The COBRA Administrator must notify the eligible dependents or spouse of their conversion rights (see V.A.2) by mail.
3. The eligible dependent or spouse must respond within (60) days of notification by sending the completed COBRA Election form to the COBRA Administrator.
4. The initial premium payment must be made within forty-five (45) days of election to continue coverage.

C. Premium Payments

1. Premium payments are to be made by check or money order. Rate increases may occur during the eligibility period and are based on the College's increased premiums for active employees. Thirty (30) days notice will be given to COBRA participants of rate increases.
2. Payments are to be received by the COBRA Administrator no later than the first of each month. There is a thirty (30) day grace period. If payments are not received prior to the expiration of the grace period, the coverage will be terminated retroactively to the first of the month.
3. The participant is responsible for the prompt payment of premiums and timely notification of any changes in status.
4. If the participant becomes covered under any other group health care plan and benefits are paid through the College's Plan for charges incurred after the date the participant becomes covered elsewhere, the participant is responsible for repaying the amount of any benefits received from the College's Plan.

VI. POLICY RESPONSIBILITIES

A. Qualified Employee/Beneficiary

1. Must notify their Department Administrator or Affiliation Office of:
 - a. The date of termination or change in status; or
 - b. A change of status for a covered dependent within thirty (31) days of the event.
2. Must complete and return the COBRA Compliance form and/or the COBRA Election form within the allotted time frame.
3. Must pay the premiums on a timely basis.

B. Department Administrators

1. Process the Personnel Action Form (PAF) paperwork for all terminations or reductions of work hours.

C. COBRA Administrator

1. Notifies the qualified beneficiary/employee of conversion rights under COBRA regulations.
2. Maintains accurate files and records of coverage, payments, personal data, etc. and notifies the participants of any regulatory changes.
3. Notifies participants of any rate changes.
4. Notifies participants of the end of extended coverage eligibility 90 days prior to the termination date.
5. Activates or terminates coverage for the participants.
 - a. Extended coverage under COBRA will be terminated when the following conditions occur:
 1. The maximum continuance period expires.
 2. The participant fails to pay the required premiums and the grace period expires.
 3. All the employer's health plans are terminated.
 4. Provide advice and guidance with respect to the interpretation and administration of this policy.

VII. EFFECTIVE DATE

This policy is effective as of the date signed below.

VIII. POLICY MANAGEMENT

Responsible Officer: Senior Vice President and Chief Financial Officer

Responsible Executive: Associated Vice President of Human Resources

Responsible Offices: Human Resources Department

APPROVED:



Edward C. Halperin, M.D., M.A.
Chancellor for Health Affairs and
Chief Executive Officer



Date