

## Notice of Continuation Coverage Rights City of Minneapolis Health Care Plans

### Introduction

This notice contains important information about your right to continue medical, dental, HRA/VEBA, health care flexible spending account, and life insurance coverage under the City's group benefit plans ("the Plans"). **This notice generally explains COBRA continuation coverage, Minnesota State continuation coverage (collectively, "Continuation Coverage"), when Continuation Coverage may become available to you and your family, and what you need to do to protect the right to receive it.** When you become eligible for Continuation Coverage, you may also become eligible for other coverage options that may cost less than Continuation Coverage. Please read the information contained in this notice very carefully.

The right to Continuation Coverage was created by a federal law (the Consolidated Omnibus Budget Reconciliation Act of 1985 or COBRA) and by Minnesota state law. Continuation Coverage can become available to you and other members of your family when group health coverage would otherwise end. For additional information about your rights and obligations under the Plans and under federal and state law, you should review the Plans' certificates of coverage or summary plan descriptions or contact the City of Minneapolis Human Resources Department.

**You may have other options available to you when you lose group health coverage.** For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace ("Marketplace"). By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan does not accept late enrollees.

### Continuation Coverage

Continuation coverage is a continuation of coverage under the Plans when coverage would otherwise end because of a life event known as a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, Continuation Coverage must be offered to each person who is a "qualified beneficiary." You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plans is lost because of the qualifying event.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plans because of the following qualifying events:

- Reduction of hours of employment (including a layoff or an unpaid leave of absence); or
- End of employment for any reason (voluntary or involuntary) other than gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plans because of the following qualifying events:

- Your spouse dies;
- Your spouse's hours of employment are reduced;
- Your spouse's employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plans because of the following qualifying events:

- The parent-employee dies;
- The parent-employee's hours of employment are reduced;
- The parent-employee's employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (under Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the Plans as a "dependent child."

## **Continuation Process**

After the City of Minneapolis Human Resources Department becomes aware that a qualifying event has occurred, Continuation Coverage will be offered to each qualified beneficiary. Each qualified beneficiary will have an independent right to elect Continuation Coverage. Covered employees may elect Continuation Coverage on behalf of their spouses, and parents may elect Continuation Coverage on behalf of their children. Qualified beneficiaries must apply for Continuation Coverage within 60 days from the date they would lose active coverage under the Plans because of one of the events described above, or 60 days from the date they receive notice of their right to continue, whichever is later. In most instances, qualified beneficiaries who elect Continuation Coverage must pay for Continuation Coverage.

## **COBRA Continuation Rights**

### **End of employment or reduction of hours**

When the qualifying event is the end of employment or reduction of the employee's hours of employment (including an unpaid leave of absence), COBRA continuation coverage generally lasts for up to 18 months.

When the qualifying event is a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment ends, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months).

### ***Disability extension of 18-month period of COBRA continuation coverage***

If you or anyone in your family covered under the Plans is determined by the Social Security Administration to be disabled and you notify the City of Minneapolis Human Resources Department in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of COBRA continuation coverage.

### ***Second qualifying event extension of 18-month period of COBRA continuation coverage***

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, your spouse and dependent children can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plans. This extension may be available to the spouse and any dependent children receiving COBRA continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under the Plans as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plans had the first qualifying event not occurred.

## **Minnesota State Continuation**

Minnesota State Continuation provides the same continuation rights as COBRA except as noted below:

If the qualifying event is divorce, legal separation or death of the employee, Minnesota continuation coverage permits an employee's spouse to continue coverage until either the spouse is covered by Medicare or another group plan or until coverage would otherwise have terminated under the plan. Dependent children may continue until they become covered under another group plan or until they no longer qualify as dependents.

State continuation law also provides that an employee who becomes totally disabled while employed by the City, and is absent from work because of the disability, may continue coverage for as long as the disability persists.

## **Other Coverage Options Besides COBRA Continuation Coverage**

Instead of enrolling in COBRA continuation coverage, there may be coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than Continuation Coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

## **Notification Requirements**

For divorce or legal separation of the employee and spouse or a child's losing eligibility for coverage as a dependent child, you must notify the City of Minneapolis Human Resources Department within 60 days after the date coverage would end due to the qualifying event. For the Social Security Administration's determination of a disability, you must notify the City of Minneapolis within 60 days of the determination date. Your notification must be in writing and must be addressed to City of Minneapolis Human Resources/Benefits, 250 South 4th Street, Room 100, Minneapolis, MN 55415-1339.

## **Conversion**

At the end of the continuation period, the covered person will be allowed to convert to an individual health plan (if any) offered by the insurance provider at that time.

## **If You Have Questions**

Questions concerning the Plans or your Continuation Coverage rights should be addressed to the Plan contact information identified below. For more information about your rights under COBRA, the Patient Protection and Affordable Care Act, and other laws affecting public sector group health plans, email [phig@cms.hhs.gov](mailto:phig@cms.hhs.gov). For more information about the Marketplace, visit [www.healthcare.gov](http://www.healthcare.gov).

## **Keep the Plans Informed of Address Changes**

In order to protect your family's rights, you should keep the City of Minneapolis Human Resources Department informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the City of Minneapolis.

## **The Plans' Contact Information**

Information concerning your group insurance plans and Continuation Coverage can be obtained by writing to City of Minneapolis, Human Resources/Benefits, 250 South 4th Street, Room 100, Minneapolis, MN 55415-1339, or by calling 612-673-3333.