

WASHINGTONVILLE CENTRAL SCHOOL DISTRICT

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Notification of Group Health Continuation Coverage Under COBRA

A Federal law (Public Law 99-272, Title X), known as “COBRA”, requires that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called continuation coverage) at group rates in certain instances where coverage under the Plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law. You, your spouse and eligible dependents should take the time to read this notice carefully.

If you are an employee of Washingtonville Central School District (WCSD) and participate in our group health plan, you have the right to choose this continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

SPOUSES: Upon losing coverage, the spouse of a covered employee has the right to choose COBRA for any of the following four reasons:

- (1) The death of your spouse;
- (2) A termination of your spouse’s employment (for reasons other than gross misconduct) or reduction in your spouse’s hours of employment
- (3) Divorce or legal separation from your spouse; or
- (4) Your spouse becomes entitled to Medicare.

CHILDREN: In the case of a covered dependent child of an employee, he or she has the right to continuation coverage if group health coverage under the Plan is lost for any of the following five reasons:

- (1) The death of the employee;
- (2) A termination of the employee’s employment (for reasons other than gross misconduct) or reduction in the employee’s hours of employment with the School District;
- (3) The employee’s divorce or legal separation;
- (4) The employee becomes entitled to Medicare; or
- (5) The dependent child ceases to be a “dependent child” as defined by the Plan.

IMPORTANT NOTE: Under the law, **the employee or family member has the responsibility to inform Washingtonville Central School District** of a divorce, legal separation, death or early Medicare entitlement of a retiree, or a child losing dependent status within 60 days of the date of the event, or any loss of coverage event the employer would not be aware of. WCSD has the responsibility to notify the Plan of the employee’s death, termination, reduction in hours of employment or Medicare entitlement.

**If you do not choose continuation coverage on a timely basis,
your group health insurance coverage will end.**

If you choose continuation coverage, the law requires that you be afforded the opportunity to maintain COBRA coverage for 36 months unless you lost group health coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage period is 18 months. These 18 months may be extended for

*The Washingtonville Central School District is committed to the intellectual, cultural, physical and emotional growth
of our children in a safe and supportive environment.*

affected individuals to 36 months from termination of employment if other events (such as a death, divorce, legal separation, or Medicare entitlement) occur during that 18-month period.

DISABILITY CONTINUATION: The 18-month continuation coverage may be extended to 29 months if a qualified beneficiary is determined by the Social Security Administration to be disabled (for Social Security disability purposes) at any time during the first 60 days of COBRA coverage. This 11-month extension is available to all individuals who are qualified beneficiaries due to a termination or reduction in hours of employment. To benefit from this extension, a qualified beneficiary must notify the Plan Administrator of that determination within 60 days and before the end of the original 18-month period. The affected individual must also notify WCSD within 30 days of any final determination that the individual is no longer disabled.

DEPENDENT CHILDREN: A child who is born to (or placed for adoption with) the covered employee during a period of COBRA coverage will be eligible to become a qualified beneficiary. In accordance with the terms of the health plan, and the requirements of federal law, these qualified beneficiaries can be added to COBRA coverage upon proper notification of the birth or adoption to WCSD.

COBRA TERMINATION: The law provides that continuation coverage may be cut short for any of the following reasons:

- (1) The employer no longer provides group health coverage to any of its employees;
- (2) The premium for continuation coverage is not paid on time;
- (3) The qualified beneficiary becomes covered—after the date he/she elects COBRA coverage—under another group health plan that does not contain any exclusion or limitation with respect to any pre-existing condition he/she may have;
- (4) The qualified beneficiary becomes entitled to Medicare—after the date he/she elects COBRA coverage;
- (5) The qualified beneficiary extends coverage for up to 29 months due to disability and there has been a final social security determination that the individual is no longer disabled.

Miscellaneous COBRA provisions: The Health Insurance Portability and Accountability Act (HIPAA) restricts the extent to which group health plans may impose pre-existing condition limitations. HIPAA coordinates COBRA's other coverage cut-off rule with these new limits as follows:

If you become covered by another group health plan and that plan contains a pre-existing condition limitation that affects you, your COBRA coverage cannot be terminated. However, if the other plan's pre-existing condition rule does not apply to you by reason of HIPAA's restrictions on pre-existing condition clauses, WCSD may terminate your COBRA coverage.

COBRA is provided subject to your eligibility coverage. The group health plan and WCSD reserve the right to terminate your COBRA coverage retroactively if you are determined to be ineligible. Under the law, you must pay 102% of the premium for your continuation coverage. There is a grace period of 30 days for payment of premiums.