

Continuation of Coverage Rights Under COBRA

This notice explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect your right to get it. When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage becomes available to you and other members of your family when group health coverage would otherwise end. For more information about your rights and obligations under the UVM Plan and under federal law, you should review the Summary Plan Description and Outline of Coverage documents at <http://www.uvm.edu/hrs/?Page=info/benefits/benefitsinfo.html> or contact Human Resource Services as listed below.

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. 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 generally doesn't accept late enrollees.

What is COBRA continuation coverage?

COBRA continuation coverage is a continuation of UVMs medical, dental, and/or flexible spending plans, as applicable, when they would otherwise end because of a life event. This is also called a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event, COBRA 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 institutions plan is lost because of the qualifying event. Under UVM's medical, dental and flexible spending plans, qualified beneficiaries who elect COBRA continuation coverage may be charged up to 102% of the premium.

If you're an employee, you'll become a qualified beneficiary if you lose your coverage because of the following qualifying events. If loss in coverage is due to either of the below qualifying events, coverage may be continued for up to 18 months:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than gross misconduct.

If you're the spouse of an employee, you'll become a qualified beneficiary and coverage may be continued for up to 36 months, if you lose your coverage because of the following qualifying events:

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

Your dependent children will become qualified beneficiaries and coverage may be continued for up to 36 months, if they lose coverage 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 gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated; or
- The dependent child stops being eligible for coverage as a "dependent child."

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to the University of Vermont and that bankruptcy results in the loss of coverage of any retired employee covered under the UVM Plan, the retired employee will become a qualified beneficiary. The retired employee's spouse, surviving spouse, and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the UVM Plan.

When is COBRA continuation coverage available?

The University of Vermont will offer COBRA continuation coverage under UVM's medical, dental or flexible spending account plans for 18 or 36 months, based on the qualifying event as outlined above. UVM is responsible for notifying its Third Party Administrator of the following qualifying events:

- The end of employment or reduction of hours of employment;
- Death of the employee;
- Commencement of a proceeding in bankruptcy with respect to the employer; or
- The employee's becoming entitled to Medicare benefits (under Part A, Part B, or both).

For all other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify Human Resource Services, who serves as the Plan Administrator, within 60 days after the qualifying event occurs. Human Resource Services will notify the qualified beneficiaries of their rights under the continued coverage provision within 30 days of receiving this information. Within 60 days of receiving this notice or the date medical and/or dental care coverage would otherwise terminate, whichever is later, the qualified beneficiaries must notify Human Resource Services of the decision to continue coverage. If the decision is made to continue coverage, the first payment of the premium must be received by Human Resource Services within 30 days of the decision to continue coverage.

All premiums are payable in advance. If payment is not received within 30 days of the due date, coverage will automatically terminate to the due date. Insurance which is so terminated may not be reinstated.

How is COBRA continuation coverage provided?

Once Human Resource Services receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect

COBRA continuation coverage on behalf of their spouse, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation of coverage that generally lasts for 18 months due to employment termination or reduction of hours of work. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage. There are also ways in which this 18-month period of COBRA continuation coverage can be extended:

Disability extension of 18-month period of COBRA continuation coverage

If you or anyone in your family covered under the UVM Plan is determined by Social Security to be disabled and you notify Human Resource Services within 30 days from the date the Social Security Administration makes the determination, you and your entire family may be entitled to get up to an additional 11 months of COBRA continuation coverage, for a 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. The extended coverage for disabled individuals will end earlier than the 29 months if Social Security determines that the previously determined disabled person is no longer disabled. The qualified beneficiary must notify Human Resource Services within 20 days of the date Social Security made its determination.

Second qualifying event extension of 18-month period of continuation coverage

If your family experiences another qualifying event during the 18 months of COBRA continuation coverage, the spouse and dependent children in your family may get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if Human Resource Services is notified within 30 days about the second qualifying event and you pay the change in premium. This extension may be available to the qualified beneficiaries getting COBRA continuation coverage if the employee or former employee dies; becomes entitled to Medicare benefits (under Part A, Part B, or both); gets divorced or legally separated; or if the dependent child stops being eligible under the Plan as a dependent child. This extension is only available if the second qualifying event would have caused the qualifying beneficiary to lose coverage under the Plan had the first qualifying event not occurred.

Are there other coverage options besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other 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 COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

If you have questions

This Notice does not fully describe COBRA or the UVM Plan. Questions concerning your UVM benefits or your COBRA continuation coverage rights should be addressed to Human Resource Services, which serves as the Plan Administrator. For more information about your rights under COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, you may also contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit www.dol.gov/ebsa.

(Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website.) For more information about the Marketplace, visit www.HealthCare.gov.

Keep your Plan informed of address changes

To protect your family's rights, let the Human Resource Services know about any changes in your address or the addresses of qualifying beneficiaries. You should also keep a copy, for your records, of any notices you send to Human Resource Services.

Plan contact information

Plan Administrator –

Human Resource Services

228 Waterman Building

802-656-3150 or at HRSinfo@uvm.edu

All benefits at UVM may be reviewed on our website at

<http://www.uvm.edu/hrs/?Page=info/benefits/benefitsinfo.html>

Medical Health Care Benefits are administered on behalf of UVM by Blue Cross Blue Shield of Vermont. Visit their website at www.bcbsvt.com to find out more information about your coverage.

Dental Health Care Benefits are administered on behalf of UVM by Northeast Delta Dental. Visit their website at www.deltadental.com to find out more information about your coverage.

Flexible Spending Accounts are administered on behalf of UVM by EBPA. Visit their website at www.ebpabenefits.com to find out more information.