

DATE

RECEIPT ADDRESS

Subject: General COBRA Information for University of Nebraska

You are receiving this Notice as an employee and/or eligible dependent covered under one or more of the group health plans sponsored by the University of Nebraska (the "Plan(s)"). One of our tasks is to provide you with important information about your right to COBRA continuation of coverage under one or more of the group health plans. **Please note: you are NOT being offered Consolidated Omnibus Budget Reconciliation Act (COBRA) at this time.** The information in this Notice is intended to educate you about your COBRA rights and obligations in the event that you or one of your eligible dependents loses coverage under one or more of the Plans.

While no action or response is required unless you or your eligible dependent actually have a loss of coverage under one or more of the health Plan(s), both you and your eligible dependent should read the information carefully, and keep it with your records. If you experience a loss of coverage in the future, please refer to this overview for guidance about your rights and responsibilities.

Note: This Notice does not fully describe continuation coverage under COBRA or other rights under the Plan(s) and a more complete description can be found by contacting the COBRA Plan Administrator at the University of Nebraska Benefits Office, and/or referring to the applicable health plan summary located on the University of Nebraska benefits webpage. There is a more detailed description of your rights under COBRA and the coverage under the Plan(s) under which you have become covered in the applicable plan documents.

This Notice provides a brief overview of your rights and obligations under the current COBRA law. The Plan (as outlined below) offers no greater COBRA rights than what the COBRA statute requires, and this Notice should be construed accordingly.

About the COBRA Law

COBRA refers to a Federal law which applies to most employers who sponsor group health insurance plans for their employees and eligible dependents. For COBRA purposes, a group health plan includes any major medical plan, dental plan, vision plan, health Flexible Spending Account (FSA), or any other employer sponsored group plan which provides medical care.

The law requires that employees and certain eligible dependents (including children) who lose coverage under a group health plan must be given the opportunity to continue coverage on a temporary basis. The maximum length of time coverage may be continued depends upon the reason coverage is lost. An employee and/or eligible dependents who loses coverage as a result of a qualifying event is called a "Qualified Beneficiary".

COBRA Qualifying Events.

Listed below are "qualifying events" which result in the right to continue coverage under COBRA. Please note that the maximum period of time coverage can be continued depends on the type of qualifying event.

Eighteen (18) Month Maximum Continuation (experienced by a covered employee):

- 1.) Termination of Employment (for reasons other than "gross misconduct")
- 2.) Reduction of Work Hours

If you experience one of the events listed above, you and any other impacted qualified beneficiary will be notified of the right to elect continuation coverage.

Disability Extension to twenty-nine (29) months. This extension will apply when any Qualified Beneficiary is determined by the Social Security Administration (SSA) to have been disabled at any time prior to the end of the first sixty (60) days of COBRA coverage resulting from a termination of employment or reduction of work hours, and continues to be disabled at the end of the initial 18-month period of coverage.

For the disability extension to apply, you must provide a copy of the SSA Determination of Disability letter within the 18-month COBRA period but no later than 60 days after the latest of: (1) the date of the SSA Determination of disability; (2) the date on which the qualifying event occurs; or (3) the date on which the qualified beneficiary loses coverage.

Second Qualifying Event Extension to thirty-six (36) months. If a Qualified Beneficiary experiences a second qualifying event during the 18-or 29-month COBRA continuation coverage resulting from termination of employment or reduction of work hours, then the eligible dependent(s) will qualify for an extension of COBRA continuation coverage of up to 36 months from the original qualifying event. A covered employee or qualified beneficiary must provide notice of the second qualifying event within 60 days of the event in order to qualify for the extension. Events eligible for the extension of coverage are those listed below (but only to the extent that they would have caused a loss of coverage under the Plan(s) if it was the initial qualifying event):

Thirty-Six (36) Month Maximum Continuation (experienced by a covered eligible dependent):

- 1) Death of an employee
- 2) Divorce or legal separation
- 3) Dependent child no longer meets the Plan's definition of a dependent

In addition, if you become entitled to Medicare and then experience a qualifying event or reduction in hours of employment within 18 months of the Medicare entitlement, your qualified beneficiary eligible dependent(s) may elect to continue coverage for up to 36 months from the Medicare entitlement.

Your IMPORTANT Qualifying Event Notice Obligations

If your eligible dependents(s) loses coverage under the Plan because of divorce, legal separation, or your child no longer meets the Plan's definition of "dependent", then you or your eligible dependent(s) must notify the University of Nebraska of the loss. Written notice **MUST** be provided no later than sixty (60) days after the event or the date coverage terminates, whichever is later. Oral notice, including by telephone, is not acceptable. The notice can be mailed first class or faxed to the University of Nebraska Benefits Office. You may be required to provide additional information to support the qualifying event (e.g. a divorce decree, etc).

If the University of Nebraska is provided timely notice of the divorce, legal separation, or a child's loss of dependent status, we will notify the affected Qualified Beneficiaries of the right to elect continuation coverage.

If the University of Nebraska is not provided notice of the divorce, legal separation, or a child's loss of dependent status during this sixty (60) day period, COBRA continuation will not be offered. If any claims are mistakenly paid for expenses incurred after the divorce, legal separation, or a child's loss of dependent status, then you and your eligible dependent(s) will be required to reimburse the Plan for any claims so paid.

If your eligible dependent(s) loses coverage as a result of your death or your entitlement to Medicare, the University of Nebraska will automatically notify your eligible dependent(s) of the right to elect continuation coverage.

Other Notification Requirements:

In order to protect your family's rights, you should notify the COBRA Plan Administrator, immediately when the name or address changes for you or any covered eligible dependent. For your records, you should also keep a copy of any notices you send to the COBRA Plan Administrator.

COBRA Continuation Coverage:

If you lose coverage as a result of one of the qualifying events listed above, you may elect to continue the same coverage that you had immediately preceding the qualifying event; however, that continuation coverage is subject to changes made by the Employer to the same coverage maintained by similarly situated active employees. You have the same right to change your coverage that similarly situated active employees have (including any open enrollment rights to change coverage). Once you receive your election notice from the COBRA Plan Administrator, you have 60 days from the later of the date of the Notice or the date coverage is lost as a result of the qualifying event to elect coverage. If you elect coverage you may be required to pay up to 102% of the applicable premium and possibly up to 150% of the applicable premium during a disability extension. The first premium is due 45 days after the date you make your election for coverage. All subsequent premiums are due the first day of the coverage period (with a 30-day grace period). Premiums are due by the last day of the month preceding your payment due date or your coverage will be suspended.

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, Medicare, Medicaid, [Children's Health Insurance Program \(CHIP\)](#), 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

Can I enroll in Medicare instead of COBRA continuation coverage after my group health plan coverage ends?

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the Medicare initial enrollment period, you have an 8-month special enrollment period¹ to sign up for Medicare Part A or B, beginning on the earlier of

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and later enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA continuation coverage will pay second. Certain plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit <https://www.medicare.gov/medicare-and-you>.

For More Information.

For more information about your rights under Employee Retirement Income Security Act (ERISA), including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at www.dol.gov/ebsa. If you have questions, or need additional information, you should contact the COBRA Plan Administrator.

¹ <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>.