
SECTION 13 - MODEL NOTICES

13.1 INITIAL NOTICE

Initial Notice of COBRA Continuation Coverage Rights

The California State University

Medical, Dental and Vision Plan and Health Care Reimbursement Account Plan

To: Covered Employee [and Spouse/Registered Domestic Partner]
Fr: [EMPLOYER NAME]
Date: [Date]

Introduction

You are receiving this notice because you have recently become covered under the medical, dental, vision and/or health care reimbursement account (“HCRA”) plans (collectively, the “Plan”) sponsored by The California State University (“CSU”). The Plan has four group health coverages (medical, dental, vision and HCRA), and you may be enrolled in one or more of these coverages. This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of group health coverage under the Plan. **This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.** COBRA (and the description of COBRA coverage contained in this notice) applies only to the group health plan coverage offered under the Plan and not to any other coverages or benefits offered under the Plan or by CSU.

The right to COBRA continuation coverage was created by a federal law. COBRA continuation coverage can become available to you when you would otherwise lose your group health coverage. It can also become available to other members of your family who are covered under the Plan when they would otherwise lose group health coverage under the Plan. For additional information about your rights and obligations under the Plan and under federal law, you should contact CSU. You may have additional continuation rights under California State law. See “California Continuation Rights for Certain Qualified Beneficiaries” section of this document.

What is COBRA continuation coverage?

COBRA coverage is a continuation of group health coverage when that coverage would otherwise end because of a "qualifying event." Specific qualifying events are listed later in this notice. After a qualifying event occurs and any required notice of that event is provided to CSU, COBRA continuation coverage must be offered to each person losing group health coverage under the Plan who is a "qualified beneficiary." You, your spouse or your registered domestic partner, and your dependent children could become qualified beneficiaries if they lose group health coverage under the Plan because of the qualifying event. Qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

Who is entitled to elect COBRA?

If you are an employee, you will become a qualified beneficiary if you lose your group health coverage under the Plan because either one of the following events happens:

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

If you are the spouse of a CSU employee, you will become a qualified beneficiary if you lose your group health coverage under the Plan because any of the following qualifying events happen:

- Your spouse (the employee) dies;
- Your spouse's hours of employment with CSU are reduced;
- Your spouse's employment with CSU ends for any reason other than his or her gross misconduct; or
- You become divorced or legally separated from your spouse. Also, if your spouse (the employee) reduces or eliminates your group health coverage in anticipation of divorce or legal separation, and a divorce or legal separation later occurs, then the divorce may be considered a qualifying event for you even though your coverage was reduced or eliminated before the divorce.

A person enrolled as the employee's registered domestic partner will be entitled to elect COBRA if he or she loses group health coverage under the Plan because any of the following qualifying events happen:

- Your registered domestic partner (the employee) dies;
- Your registered domestic partner's hours of employment with CSU are reduced;
- Your registered domestic partner's employment with CSU ends for any reason other than his or her gross misconduct; or
- Your registered domestic partnership with the employee is dissolved.

A person enrolled as the employee's dependent child will be entitled to elect COBRA if he or she loses group health coverage under the Plan because any of the following qualifying events happen:

- The parent-employee dies;
- The parent-employee's hours of employment with CSU are reduced;
- The parent-employee's employment with CSU ends for any reason other than his or her gross misconduct;
- The parents become divorced or legally separated; or
- The child is no longer eligible for coverage under the plan 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 CSU, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee will become a qualified beneficiary with respect to the bankruptcy. 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 Plan.

When is COBRA coverage available?

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after CSU has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction in hours of employment, death of the employee, or commencement of a proceeding in bankruptcy with respect to CSU, you do not need to notify CSU of the qualifying event.

You must give notice of some qualifying events

For the other qualifying events (divorce or legal separation of the employee and spouse, dissolution of registered domestic partnership, or a dependent child's losing eligibility for coverage as a dependent child), a COBRA election will be available to you only if you notify CSU in writing within 60 days after the later of (1) the date the qualifying event occurs or (2) the date on which you lose (or would lose) group health coverage under the terms of the Plan as a result of the qualifying event. You must provide this notice in writing to CSU at the [INSERT CORRECT CAMPUS BENEFITS OFFICE LOCATION]. The notice must be in writing and must include information about the employee or qualified beneficiary requesting COBRA coverage and the qualifying event that caused the loss of coverage. In addition, the employee or qualified beneficiary must provide CSU with documentation supporting the occurrence of the qualifying event. Acceptable documentation includes the documents listed below and any other supporting documentation approved by the Plan Administrator:

- divorce or legal separation – a copy of the decree of divorce or separation agreement;

- dissolution of registered domestic partnership – a copy of the dissolution documents; and
- child no longer qualifying as a dependent child – a copy of the driver's license or birth certificate showing the child's age (in the case of the child's becoming too old for coverage), a copy of the child's marriage certificate (in case of the child's marriage) or a letter from an university or institution indicating a change in student status.

If these procedures are not followed or if the notice is not provided in writing to CSU as directed above during the 60-day notice period, you will lose your right to elect COBRA.

Electing COBRA

Each qualified beneficiary will have an independent right to elect COBRA. Covered employees and spouses may elect COBRA on behalf of their children who are qualified beneficiaries. **Any qualified beneficiary for whom COBRA is not elected within the 60-day election period specified in the Plan's COBRA Qualifying Event (Election) Notice will lose his or her right to elect COBRA.**

Qualified beneficiaries who are entitled to elect COBRA may do so even if they have other group health plan coverage or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a qualified beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare benefits or becomes covered under another group health plan (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied.)

How Long Does COBRA Last?

COBRA coverage is a temporary continuation of coverage. When the qualifying event is the death of the employee, the covered employee's divorce or legal separation, employee's dissolution of domestic partnership, or a dependent child's losing eligibility as a dependent child, COBRA coverage can last for up to a total of 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 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 terminates, COBRA coverage for his spouse and children who lost coverage as a result of his termination 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). This COBRA coverage period is available only if the covered employee becomes entitled to Medicare within 18 months BEFORE the termination or reduction of hours.

Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA coverage generally can last up to a total of 18 months.

However, COBRA coverage under the HCRA can last only until the end of the year in which the qualifying event occurred – see "HCRA Coverage" section below.

There are two ways in which the period of COBRA coverage resulting from a termination of employment or reduction of hours can be extended. (The period of COBRA coverage for the HCRA cannot be extended under any circumstances.)

Disability extension of 18-month period of COBRA coverage

If a qualified beneficiary is determined by the Social Security Administration to be disabled and you notify CSU and the applicable dental/vision carriers/COBRA administrators in a timely fashion, all of the qualified beneficiaries in your family may be entitled to receive up to an additional 11 months of COBRA coverage, for a total maximum of 29 months. This extension is available only for qualified beneficiaries who are receiving COBRA coverage because of a qualifying event that was the covered employee's termination or reduction of hours. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction of hours and must

last until at least the end of the time period of COBRA coverage that would be available without the disability extension (generally 18 months, as described above).

The disability extension is available only if you notify CSU and the applicable dental/vision carriers/COBRA administrators as instructed in the Qualifying Event (Election) Notice in writing of the Social Security Administration's determination of disability within 60 days after the latest of:

- the date of the Social Security Administration's disability determination;
- the date of the covered employee's termination of employment or reduction of hours; and
- the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination of employment or reduction of hours.

You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. The notice must include a copy of the Social Security Administration disability notification letter and must include the information about the covered employee or qualified beneficiary requesting extension of COBRA coverage due to disability.

If these procedures are not followed or if the notice is not provided in writing to CSU as instructed above during the 60-day notice period and within 18 months after the covered employee's termination of employment or reduction of hours, there will be no extension of COBRA coverage due to disability.

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

If a qualified beneficiary experiences another qualifying event while receiving COBRA coverage because of the covered employee's termination of employment or reduction of hours (including COBRA coverage during a disability extension period as described above), the spouse and dependent children receiving COBRA coverage can get up to 18 additional months of COBRA coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to CSU. This extension may be available to the spouse, registered domestic partner and any dependent children receiving COBRA coverage if the employee or former employee dies or gets divorced or legally separated, dissolves a domestic partnership, or if the dependent child becomes ineligible under the Plan as a dependent child.

This extension is only available if you follow the notification procedures contained in the Qualifying Event (Election) Notice.

HCRA Coverage

COBRA coverage under HCRA will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected by the covered employee, reduced by reimbursements up to the time of qualifying event, is equal to or more than the amount of the premiums for the HCRA COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the HCRA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by expenses reimbursed up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year.

If you have questions

Questions concerning your Plan or your COBRA coverage rights should be addressed to the contact identified below. Information about COBRA provisions for governmental employees is available from the:

Centers for Medicare & Medicaid Services (CMS)
Private Health Insurance Group
7500 Security Boulevard
Mail Stop S3-16-16
Baltimore, Maryland 21244-1850

Or you may call 410-786-1565 for assistance. This is not a toll-free number. The CMS website is www.cms.hhs.gov.

Keep your plan informed of address changes

In order to protect your family's rights, you should keep CSU 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 CSU.

Plan contact information

Information about the Plan and COBRA coverage can be obtained upon request by contacting CSU at:

[INSERT CORRECT CAMPUS ADDRESS]
_____[Campus name]
_____[Office or title of contact]
_____[Address]
_____[Address]
_____[Phone]

The contact information for the Plan may change from time to time.

California Continuation Rights for Certain Qualified Beneficiaries

If you are enrolled in insured medical or HMO coverage in California, please contact your insurance company or HMO for information about rights, after the expiration of Federal COBRA coverage, to continue coverage in certain situations.

Conversion Privilege After COBRA Terminates. You and your enrolled dependents may be entitled to a conversion policy upon the expiration of COBRA coverage. In the event you do not elect COBRA coverage, you may still apply for conversion to an individual medical policy. If you wish to convert your medical coverage to an individual conversion policy, you must make your application within 30 days from the date your coverage terminates to ensure continuous coverage. If you elect COBRA coverage, you will have the option to convert your medical coverage to an individual policy during the last 180 days of the maximum, 18, 29, or 36 month COBRA coverage period.

13.2 COBRA Qualifying Event (Election) Notice

To: Covered Employee, [***INSERT ADDITIONAL QUALIFIED BENEFICIARY CATEGORIES – Spouse/Registered Domestic Partner and Dependent Children***]
Fr: [***EMPLOYER NAME***]
Date: [***DATE***]

This notice contains important information about your right to continue your group health care coverage in the [*ENTER NAMES OF APPLICABLE GROUP HEALTH PLANS, e.g., medical, dental, vision, health care reimbursement account (HCRA) plans***] (collectively, the “Plan”).** Please read the information contained in this notice very carefully. We use the pronoun “you” in this notice (including the enclosed Election Form) to refer to each of the individual addressees named above.

To elect COBRA coverage, follow the instructions on the enclosed Election Form and submit the completed form to your [***INSERT CORRECT LOCATION - Campus Benefits Office***].

If you do not elect COBRA coverage, your coverage under the Plan will end on [***ENTER DATE***] due to [***CHECK APPROPRIATE BOX***]:

- | | |
|---|---|
| <input type="checkbox"/> End of employment on [<i>INSERT DATE</i>] | <input type="checkbox"/> Reduction in hours of employment [<i>INSERT DATE</i>] |
| <input type="checkbox"/> Death of employee [<i>INSERT DATE</i>] | <input type="checkbox"/> Divorce or legal separation [<i>INSERT DATE</i>] |
| <input type="checkbox"/> Loss of dependent child status [<i>INSERT DATE</i>] | <input type="checkbox"/> Dissolution of Registered Domestic Partnership [<i>INSERT DATE</i>] |

The event designated above that caused you to lose coverage under the Plan(s) is called your “qualifying event” in this notice, and the date of that event shown above is the date of your qualifying event. Each person (“qualified beneficiary”) in the category(ies) checked below is entitled to elect COBRA coverage under one or more group health coverages under the Plan specified below and can continue group health care coverage under the Plan for up to ___ months [***ENTER 18 or 36, as appropriate***] [***Check appropriate box or boxes below; names may be added***]:

- Employee or former employee [***INSERT NAME***]
- Spouse or former spouse [***INSERT NAME***]
- Registered Domestic Partner [***INSERT NAME***]
- Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage [***INSERT NAMES***]
- Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan [***INSERT NAME***]

If elected, COBRA coverage will begin on [***ENTER DATE***] and can last until [***ENTER DATE***] (except that coverage under the HCRA can last only until December 31, _____ [***INSERT YEAR***]).

The current monthly cost of your COBRA coverage is as follows. (Note that these amounts will change in the future and will most likely be higher than they are now. You will be notified of COBRA premium changes.)

- [**INSERT PREMIUMS FOR INDIVIDUAL (AND IF APPLICABLE, EMPLOYEE PLUS ONE AND EMPLOYEE PLUS TWO OR MORE) AND HCRA PREMIUMS (IF APPLICABLE)**]

You do not have to send any payment with the Election Form. Important additional information about payment for COBRA coverage is included in the pages following the Election Form. If you have any questions about this notice or your rights to COBRA coverage, you should contact [***ENTER CONTACT INFORMATION INCLUDING ADDRESS AND PHONE NUMBERS FOR CAMPUS BENEFITS OFFICE***].

COBRA Coverage Election Form

INSTRUCTIONS: To elect COBRA coverage, complete this Election Form and return it to CSU. Under federal law, you must have 60 days after the date of this qualifying event (election) notice to decide whether you want to elect COBRA coverage under the Plan.

Mail or hand deliver the completed Election Form to: *[Enter Name and Address of campus benefits office contact person]*

This Election Form must be completed in writing and returned by mail or hand delivered to the individual and address specified above. The following are not acceptable as COBRA elections and will not preserve COBRA rights: oral communications regarding COBRA coverage, including in-person or telephone statements about an individual's COBRA coverage; and electronic communications, including e-mail. If mailed, it must be post-marked no later than *[enter date]*. If hand delivered, it must be received no later than *[enter date]*.

If you do not submit a completed Election Form by the due date shown above, you will lose your right to elect COBRA coverage. If you reject COBRA coverage before the due date, you may change your mind as long as you furnish a completed Election Form before the due date.

Read the important information about your rights included in the pages after the Election Form.

I (We) elect COBRA coverage in the *[medical, dental and vision plan and the HCRA plan]* (collectively, the Plan) as indicated below (you may elect one or more group health coverages listed after your name):

a. Name _____ Date of Birth _____ Relationship to Employee _____ SSN (or other identifier) _____

b. Coverage options elected: _____ **[INSERT AVAILABLE COVERAGES]**

All qualified beneficiaries who were covered under the HCRA will be covered together for HCRA COBRA coverage. However, each qualified beneficiary has separate election rights, and each could alternatively elect separate COBRA coverage to cover that qualified beneficiary only, with a separate HCRA annual coverage limit and a separate COBRA premium. If you are interested in this alternative, contact your **[INSERT CORRECT CONTACT INFORMATION]**.

Is the covered employee, spouse, domestic partner, or any dependent child entitled to Medicare Part A, Part B or both?

Yes No

If yes, name and date of entitlement (shown on Medicare card): _____.

If you become entitled to Medicare (or first learn that you are entitled to Medicare) after submitting this Election Form, immediately notify the **[CAMPUS BENEFITS OFFICE]** and the applicable dental and vision carriers/COBRA administrators of the date of your Medicare entitlement at the addresses shown below.

I (we) have received and read this entire COBRA Qualifying Event (Election) Notice, including the paragraph below entitled "Electing COBRA under the HCRA". I (we) understand that the use-it-or-lose-it rule will continue to apply to the HCRA coverage, if elected, so any unused amounts will be forfeited at the end of the Plan year (December 31). I (we) also understand that no HCRA coverage will be available for subsequent years.

Signature

Date

Print Name

Relationship to individual(s) listed above

Print Address

Telephone Number

Important information about your COBRA coverage rights

What is COBRA coverage?

Federal law requires that most group health plans (including CSU's medical, dental, vision and HCRA plans) give employees and their families the opportunity to continue their group health coverage when there is a "qualifying event" that would result in a loss of coverage under an employer's plan. Depending on the type of qualifying event, "qualified beneficiaries" can include the employee (or retired employee) covered under the group health plan and the covered employee's spouse and dependent children enrolled in the group health plan. (Certain newborns, newly adopted children, and alternative recipients under QMSCOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.) Although not required by law, CSU offers COBRA coverage to registered domestic partners of CSU employees covered under CSU's group health plans.

COBRA coverage is the same coverage that the medical, dental, vision and HCRA plans (collectively, the "Plan") give to other participants or beneficiaries under the Plan who are not receiving COBRA coverage. Each qualified beneficiary who elects COBRA coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including open enrollment and HIPAA special enrollment rights.

COBRA (and the description of COBRA coverage contained in this notice) applies only to group health coverage offered by CSU under the Plan (i.e., medical, dental, vision and HCRA) and not to any other benefits offered by CSU (such as life insurance, disability, or accidental death and dismemberment). The Plan provides no greater COBRA rights than what COBRA requires (except for COBRA coverage for registered domestic partners) – nothing in this notice is intended to expand your rights beyond COBRA's requirements. You may be eligible for additional continuation rights under California State law – see the "California Continuation Rights for Certain Qualified Beneficiaries" section below.

How can you elect COBRA coverage?

To elect COBRA coverage, you must complete the Election Form according to the directions on the Election Form and mail or hand deliver by the date specified on the Election Form to **/INSERT CONTACT/**. Each qualified beneficiary has a separate right to elect COBRA coverage. For example, the employee's spouse or registered domestic partner may elect COBRA coverage even if the employee does not. COBRA coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to COBRA coverage on behalf of any dependent children. The employee or the employee's spouse can elect COBRA coverage on behalf of all of the qualified beneficiaries.

You may elect COBRA under any or all of the group health coverages (medical, dental, vision and HCRA) in which you were covered under the Plan on the day before the qualifying event. Qualified beneficiaries who are entitled to elect COBRA may do so even if they have other group health plan coverage or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a qualified beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare benefits or becomes covered under another group health plan (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

Electing COBRA under the HCRA

COBRA coverage under the HCRA will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected under the HCRA by the covered employee, reduced by reimbursements of expenses incurred up to the time of the qualifying event, is equal to or more than the amount of premiums for HCRA COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the HCRA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by expenses reimbursed up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year. All qualified beneficiaries who were covered under the HCRA will be covered together for HCRA COBRA coverage. However, each qualified beneficiary has separate election rights, and each could alternatively elect separate COBRA coverage to cover that qualified beneficiary only, with a separate HCRA annual coverage limit and a separate COBRA premium. If you are interested in this alternative, contact [*INSERT CONTACT INFORMATION*] for more information.

Special Considerations in deciding whether to elect COBRA

In considering whether to elect COBRA coverage, you should take into account that a failure to elect COBRA will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of COBRA coverage may help you not have such a gap. Second, you may lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get COBRA coverage for the maximum time available to you. Finally, you should take into account that you may have special enrollment rights under federal law. You may have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage under the Plan ends because of the qualifying event listed above. You also will have the same special enrollment right at the end of COBRA coverage if you get COBRA coverage for the maximum time available to you.

How long will COBRA coverage last?

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued only for up to a total of 18 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee becomes entitled to Medicare benefits less than 18 months before the qualifying event, COBRA coverage for qualified beneficiaries (other than the employee) who lose coverage under the Plan as a result of the qualifying event can last up to 36 months from the date of Medicare entitlement. This COBRA coverage period is available only if the covered employee becomes entitled to Medicare within 18 months before the termination or reduction of hours. In the case of a loss of coverage due to an employee's death, divorce or legal separation, or dissolution of a registered domestic partnership, or a dependent child ceasing to be a dependent under the terms of the Plan, coverage may be continued for up to a total of 36 months. Regardless of the qualifying event, HCRA COBRA coverage may only be continued to the end of the plan year in which the qualifying event occurred and cannot be extended for any reason.

This notice shows the maximum period of COBRA coverage available to qualified beneficiaries. COBRA coverage will automatically terminate before the end of the maximum period if:

- any required premium is not paid in full on time;

- a qualified beneficiary becomes covered, after electing COBRA coverage, under another group health plan (but only after any preexisting condition exclusions of that other plan that applies to the qualified beneficiary have been exhausted or satisfied);
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing COBRA coverage; or
- CSU ceases to provide any group health plan for its employees; or
- during a disability extension period (the disability extension is explained below), the disabled qualified beneficiary is determined by the Social Security Administration to be no longer disabled.

COBRA coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud). You must notify the [**CAMPUS BENEFITS OFFICE**] and the applicable dental and vision carriers/COBRA administrators (see “For More Information” section below) in writing within 30 days if, after electing COBRA, a qualified beneficiary becomes entitled to Medicare (Part A, Part B or both) or becomes covered under other group health plan coverage (but only after any preexisting condition exclusions of that other plan for a preexisting condition of the qualified beneficiary have been exhausted or satisfied). COBRA coverage will terminate (retroactively if applicable) as of the date of Medicare entitlement or as of the beginning date of the other group health coverage (after exhaustion or satisfaction of any applicable preexisting condition exclusion). The insurance carriers/HMOs may require repayment of all benefits paid after the termination date, regardless of whether or when you provide notice of Medicare entitlement or other group health plan coverage.

How can you extend the length of COBRA coverage?

If you elect COBRA coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify the [**CAMPUS BENEFITS OFFICE**] and applicable dental and vision carriers/COBRA administrators (see “For More Information” section below) of a disability or a second qualifying event in order to extend the period of COBRA coverage. Failure to provide notice of a disability or second qualifying event will affect the right to extend the period of COBRA coverage. (The period of COBRA coverage under the HCRA cannot be extended under any circumstances.)

Disability. If any of the qualified beneficiaries is determined by the Social Security Administration to be disabled, the maximum COBRA coverage period that results from the covered employee’s termination of employment or reduction of hours (generally 18 months as described above) may be extended up to a total of 29 months. The disability must have started at some time before the 61st day after the covered employee’s termination of employment or reduction of hours with CSU and must last until the end of the 18-month period of COBRA coverage. Each qualified beneficiary who has elected COBRA coverage will be entitled to the disability extension if one of them qualifies. The disability extension is available only if you notify the [**CAMPUS BENEFITS OFFICE**] and applicable dental and vision carriers/COBRA administrators (see “For More Information” section below) in writing of the Social Security Administration’s determination of disability within 60 days after the latest of:

- the date of the Social Security Administration’s disability determination;
- the date of the covered employee’s termination of employment or reduction of hours; or

- the date of which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan(s) as a result of the covered employee's termination or reduction of hours.

You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. The notice must be provided in writing and must include the following information:

- the name(s) of the group health coverages;
- the name of the employee or former employee who is or was covered under the Plan;
- the name(s) and address(es) of all qualified beneficiaries who are receiving COBRA due to the initial qualifying event;
- the initial qualifying event giving rise to COBRA coverage;
- the date of the initial qualifying event;
- the name and address of the disabled qualified beneficiary;
- the date that the qualified beneficiary become disabled;
- the date that the Social Security Administration made its determination of disability;
- a statement as to whether or not the Social Security Administration has subsequently determined that the qualified beneficiary is no longer disabled; and
- the signature, name and contract information of the individual sending the notice.

Your notice must include a copy of the Social Security Administration's determination of disability. You must mail or hand deliver this notice to the [**CAMPUS BENEFITS OFFICE**] and applicable dental and vision carriers/COBRA administrators at the addresses indicated below (see "For More Information" section).

If the above procedures are not followed or if the notice is not provided within the 60-day notice period, there will be no disability extension of COBRA coverage.

If the qualified beneficiary is determined by the Social Security Administration to no longer be disabled, you must notify the [**CAMPUS BENEFITS OFFICE**] and applicable dental and vision carriers/COBRA administrators (see "For More Information" section below) of that fact within 30 days after the Social Security Administration's determination. COBRA coverage will end no earlier than the first of the month that begins more than 30 days after the date of the final determination by the Social Security Administration that the qualified beneficiary is no longer disabled. The notice must be provided in the same manner as, and include the same information required for, a notice of disability as described above.

Second Qualifying Event. An extension of coverage will be available to spouses, registered domestic partners and dependent children who are receiving COBRA coverage if a second qualifying event occurs during the first 18 months (or, in the case of a disability extension, the 29 months) of COBRA coverage following the covered employee's termination of employment or reduction of hours. The maximum amount of COBRA coverage available when a second qualifying event occurs is 36 months from the date COBRA coverage began. Such second qualifying events may include the death of a covered employee, divorce or legal separation from the covered employee, dissolution of the employee's registered domestic partnership, or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan.

This extension due to a second qualifying event is available only if you notify the [**CAMPUS BENEFITS OFFICE**] and applicable dental and vision carriers/COBRA administrators (see "For

More Information” section below) in writing of the second qualifying event within 60 days after the later of:

- the date of the second qualifying event; or
- the date on which the qualified beneficiary would lose coverage under the terms of the Plan(s) as a result of the second qualifying event.

The notice must include the following information:

- the names of the group health coverages under the Plan;
- the name of the employee or former employee who is or was covered under the Plan;
- the name(s) and address(es) of all qualified beneficiaries who are receiving COBRA due to the initial qualifying event;
- the initial qualifying event giving rise to COBRA coverage;
- the date of the initial qualifying event;
- the second qualifying event;
- the date of the second qualifying event; and
- the signature, name and contact information of the individual sending the notice.

In addition, you must provide documentation supporting the occurrence of the second qualifying event, if the [**CAMPUS BENEFITS OFFICE**] and/or applicable dental and vision carriers/COBRA administrators request it. Acceptable documentation includes a copy of the divorce decree, domestic partnership dissolution documents, death certificate, or dependent child(ren)’s birth certificates, driver’s license, marriage license or letter from a university or institution indicating a change in student status.

You must mail or hand deliver this notice to the [**CAMPUS BENEFITS OFFICE**] and applicable dental and vision carriers/COBRA administrators at the addresses indicated below (see “For More Information” section).

If the above procedures are not followed or if the notice is not provided within the 60-day notice period, there will be no extension of COBRA coverage due to a second qualifying event.

How much does COBRA coverage cost?

Generally, each qualified beneficiary is required to pay the entire cost of COBRA coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of COBRA coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving COBRA coverage. The required monthly payment for each group health benefit provided under the Plan(s) under which you are entitled to elect COBRA is described in this notice.

When and how must payment for COBRA coverage be made?

First payment for COBRA coverage. If you elect COBRA coverage, you do not have to send any payment with the Election Form. However, you must make your first payment for COBRA coverage not later than 45 days after the date of your election. (This is the date the Qualifying Event (Election) Notice is post-marked, if mailed, or the date your Election Form is received by the individual as the address specified for delivery on the Election Form, if hand delivered.) If you do not make your first payment for COBRA coverage in full within 45 days after the date of your election, you will lose all COBRA rights under the Plan(s).

Your first payment must cover the cost of COBRA coverage from the time your coverage under the Plan(s) would have otherwise terminated up through the end of the month before the month in which you make your first payment. You are responsible for making sure that the amount of your first payment is correct. You may contact **[ENTER APPROPRIATE CONTACT INFORMATION]** to confirm the correct amount of your first payment.

Monthly payments for COBRA coverage. After you make your first payment for COBRA coverage, you will be required to make monthly payments for each subsequent month of COBRA coverage. The amount due for each coverage period for each month for each qualified beneficiary is shown in this notice. Under the Plan(s), each of these monthly payments for COBRA coverage is due on the first day of the month for that month's COBRA coverage. If you make a monthly payment on or before the first day of the month to which it applies, your COBRA coverage under the Plan(s) will continue for that month without any break. The Plan(s) **[select one: will or will not]** send periodic notices of payments due for these coverage periods (that is, you **[select one: will or will not]** receive a bill for your COBRA coverage – it is your responsibility to pay your COBRA premiums on time.

Grace periods for monthly payments. Although monthly payments are due on the first day of each month of COBRA coverage, you will be given a grace period of 30 days after the first day of the month to make each payment for that month. Your COBRA coverage will be provided for each month as long as payment for that month is made before the end of the grace period for that payment. However, if you pay a monthly payment later than the first day of the month to which it applies, but before the end of the grace period for the month, your coverage under the Plan(s) will be suspended as of the first day of the month and then retroactively reinstated (going back to the first day of the month) when the monthly payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a monthly payment before the end of the grace period for that month, you will lose all rights to COBRA coverage under the Plan(s). All COBRA premiums must be paid by check or money order. Your first payment and all periodic payments for COBRA coverage should be sent to the following:

Medical

_____ *[enter appropriate payment addresses for medical]*

Dental

For Delta:

Wolfpack Ins. Services
P.O. Box 833
Belmont, California 94002
(800) 296-0192

For PMI

PMI
12898 Towne Center Drive
Cerritos, California 90703
(800) 422-4234

Vision

CPIC Life Insurance Company
P.O. Box 93022
Long Beach, California 90809-3022
Attention: COBRA
(714) 619-4660

HCRA

ASI
P. O. Box 6044
Columbia, MO 65205-6044
Telephone: (800) 659-3035

If mailed, your payment is considered to have been made on the date that it is postmarked. [If hand delivered, your payment is considered to have been made when it is received.] You will not be considered to have made any payment if your check is returned due to insufficient funds or otherwise.

More information about individuals who may be qualified beneficiaries

Children born to or placed for adoption with the covered employee during COBRA coverage period. A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected COBRA coverage for himself or herself and enrolls the child within 30 days of the birth, adoption or placement for adoption. The child's COBRA coverage begins when the child is enrolled in the Plan(s), whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan(s), the child must satisfy the otherwise applicable Plan(s) eligibility requirements (for example, regarding age).

Alternative recipients under QMSCOs. A child of the covered employee who is receiving benefits under the Plan(s) pursuant to a Qualified Medical Child Support Order (QMSCO) received by CSU during the covered employee's period of employment with CSU is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

For more information

This notice does not fully describe COBRA coverage or other rights under the Plan(s). More information about COBRA coverage and your rights under the Plan is available from the [**CAMPUS BENEFITS OFFICE**].

If you have any questions concerning the information in this notice, or your rights to COBRA coverage, or if you want a copy of your summary plan description, you should contact the following:

For general COBRA questions and questions regarding medical COBRA coverage:
[ENTER CAMPUS BENEFITS OFFICE CONTACT INFORMATION INCLUDING ADDRESS AND PHONE NUMBER]

Question regarding dental COBRA coverage

For Delta: Wolfpack Ins. Services
 P.O. Box 833
 Belmont, California 94002
 (800) 296-0192

For PMI: PMI
 12898 Towne Center Drive
 Cerritos, California 90703
 (800) 422-4234

Questions regarding vision COBRA coverage

CPIC Life Insurance Company
P.O. Box 93022
Long Beach, California 90809-3022
Attention: COBRA
(714) 619-4660

Questions regarding HCRA COBRA coverage

ASI
P. O. Box 6044
Columbia, MO 65205-6044
Attention: CSU COBRA
(800) 659-3035

Information about COBRA provisions for governmental employees is available from the:
Centers for Medicare & Medicaid Services (CMS)
Private Health Insurance Group
7500 Security Boulevard
Mail Stop S3-16-16
Baltimore, Maryland 21244-1850

Or you may call (410) 786-1565 for assistance. This is not a toll-free number. The CMS website is www.cms.hhs.gov.

Keep your plan informed of address changes

In order to protect your and your family's rights, you should keep the [**CAMPUS BENEFITS OFFICE**] and applicable dental and vision carriers/COBRA administrators informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to these entities.

Special COBRA Rights for California Employees

If you are enrolled in an HMO or insured group medical coverage in California at the time of your initial qualifying event, you and your eligible dependents may be eligible to extend COBRA coverage from 18 or 29 months to a total of 36 months measured from the date of the original qualifying event. The HMO or insurance company may charge up to 110% of the cost (disabled individuals may be charged up to 150% of the cost).

This special California continuation benefit is provided by the HMO and insurance company and is not CSU's responsibility. Contact your HMO or insurance company to find out whether you are eligible for continuation benefits and how to obtain them.

Conversion Privilege After COBRA Terminates

You and your enrolled dependents may be entitled to a conversion policy upon the expiration of COBRA coverage. In the event you do not elect COBRA coverage, you may still apply for conversion to an individual medical policy. If you wish to convert your medical coverage to an individual conversion policy, you must make your application within 30 days from the date your coverage terminates to ensure continuous coverage. If you elect COBRA coverage, you will have the option to convert your medical coverage to an individual policy during the last 180 days of the maximum 18, 29, or 36 month COBRA coverage period.

13.3 NOTICE OF UNAVAILABILITY

NOTICE OF INELIGIBILITY FOR COBRA (sample)

[If CSU receives notice from a qualified beneficiary of a qualifying event, a second qualifying event, or a determination of disability by the Social Security Administration (SSA) and CSU determines that the individual is not entitled to COBRA continuation coverage, CSU must provide the individual with a notice. The notice must be written in a manner that is understandable to the average plan participant and must explain why the individual is not entitled to COBRA. The notice must be provided within 14 days after CSU's receipt of the notice of a qualifying event, a second qualifying event or a determination of disability by the SSA. This sample notice may be used to satisfy this obligation. Delete this explanation before reproducing the sample form.]

[Insert name of plan]

California State University [Insert name of campus]

[Insert date]

To: **[Insert name of ineligible party]**

You are receiving this notice because you recently made a request for COBRA continuation coverage under the **[insert name of plan]**. However, the California State University (CSU) has determined that you are not eligible for COBRA continuation coverage for the following reason(s):

[Insert explanation of why individual is ineligible]

Please contact **[insert name of individual responsible for COBRA administration, with telephone number and address]** if you have any questions about this notice or COBRA continuation coverage.