



ADMINISTRATIVE PROCEDURES

Procedure Number: 23-6

Effective Date: 11/01/1986

Revision Date: 08/25/2010

C. Duckert

County Administrator

SUBJECT: COBRA - Consolidated Omnibus Budget Reconciliation Act of 1985

DEPARTMENT RESPONSIBLE: Human Resources Department

I. STATEMENT

To provide temporary continuation of group health coverage (Medical, Dental, Flexible Benefits and Employee Assistance Program) that otherwise might be terminated. This continuation requires the eligible employee or dependent(s) to pay the full premium (without County Contribution) plus a 2% administration fee.

II. PROCEDURES

A. Eligibility

In order to be eligible for the COBRA continuation coverage, an employee and/or qualified dependent(s) must have been enrolled in the health plan(s) at the time of termination of employment or a qualifying event such as; death of employee, divorce or legal separation or a child's loss of dependent status due to eligibility requirements. It is the employee's responsibility to notify Human Resources, via the on-line benefits enrollment system of the qualifying event within 60 days of the event.

B. Enrollment

1. For a termination of employment with Pima County, a Personal Action Form (PAF) must be submitted through the department representative. If the terminating employee is enrolled in any COBRA eligible plans, then the employee will be provided with information relative to his/her rights bestowed to a terminating employee under P.L. 99-272 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).
 - a. Once the PAF is received and processed through the payroll system and the Benefits online enrollment system, the employee's information is transmitted electronically to the third party administrator, for final COBRA processing.
 - b. The COBRA administrator will forward the initial enrollment packet with all information required for the employee and/or qualified dependent(s) to re-enroll in benefits under the COBRA program.

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2. For loss of dependent(s) coverage due to a qualifying event other than termination of employment:
 - a. The employee logs into the Benefits online enrollment system and elects the changes.
 - b. The employee must supply the supporting documentation in order for the change request to be approved. The dependent(s) information is then transmitted electronically to the third party administrator for COBRA processing.

3. For the unforeseen qualifying event of death of an employee with dependent(s) enrolled in any of the health plans:

The process of a COBRA event would be generated once the information is transmitted to the Benefits online enrollment system. The information is then transmitted electronically to the third party administrator for COBRA processing.

4. The third party administrator is responsible to notify all eligible COBRA beneficiaries of their rights, coverage and costs. Each eligible beneficiary will have up to 60 days from the date of the qualifying event to elect coverage.
 - a. When the COBRA beneficiary receives the COBRA packet, he/she will need to complete the enrollment process in order to continue coverage. The enrollment must be made within 60 days of the COBRA Notification.
 - b. Payment must be made within 45 days of the enrollment. Once payment is received for premiums, the third party administrator will notify the carriers of the COBRA enrollment and at that time the benefits will be reinstated retroactively to the original benefits termination date, so there is no break in coverage.

C. Retirement Premium Benefit (Subsidy)

If the COBRA qualifying event is a retirement, the retiring employee may be eligible for a subsidy from one of the State retirement systems. In this case, the retiring employee will need to notify Human Resources of the retirement and the COBRA elections. The retiree will need to make the full timely monthly premium payment to the COBRA administrator. Human Resources will coordinate payment from the retirement system. After the County has received the subsidy payment from the retirement system, the County will reimburse the retiree the subsidy amount provided the retiree has made the premium payment in full.

D. Open Enrollment

1. The premium payment plan schedule shall be in force until the end of each plan year. COBRA participants must complete a new form during Open Enrollment as determined by Pima County Human Resources. All communications and enrollments are handled through the third party administrator.

E. Non-Payment of Premium

1. If the payment for a given month has not been received by the last working day of the month, coverage can be terminated due to non-payment of premium as of the last day of the month for which premiums were received.
2. The third party administrator will send out a 30-day late letter. If member does not respond by the date indicated on the letter then the COBRA coverage will be terminated to the last day of the month for which premiums were paid.
3. If coverage is terminated due to non-payment of premium, the COBRA participant will be rendered ineligible to participate.