

**Notification of Rights to Continue**  
**University of Rochester Health Care Coverage under COBRA**

**Introduction**

You are receiving this notice because you have recently become covered under one or more of the University of Rochester group health plans (collectively, the “Plan”). The Plan has the following group health plan components and you may be enrolled in one or more of these components:

**Health Care Plans:**

- For Active Employees, Pre-65 Retirees, and their dependents:
  - YOUR HSA-Eligible Plan (includes Lifestyle Management and Condition Management Programs)
  - YOUR PPO Plan (includes Lifestyle Management and Condition Management Programs)

*(each plan option above includes access to Behavioral Health Partners and Accountable Health Partners)*

- Gallagher Medical Plan for Postdoctoral Fellows

**Dental Plans:**

- Traditional Dental Assistance Plan
- Medallion Dental Plan
- Gallagher Dental Plan for Postdoctoral Fellows

**Health Care Flexible Spending Accounts (FSAs)**

- Health Care FSA
- Limited Purpose Health Care FSA

**Employee Assistance Program**

**Vision Plan**

- UR Vision Basic
- UR Vision Plus
- Gallagher Vision Plan for Postdoctoral Fellows

This notice has important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plan under certain circumstances when coverage would otherwise end. **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. Both you and your spouse (or domestic partner) should take the time to read this notice carefully.**

When you become eligible for COBRA, you may also become eligible for other coverage options that may cost less than COBRA continuation coverage. COBRA applies only to the plans listed above, and not to any other benefits offered by the University of Rochester.

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become 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 Plan and under federal law, you should review the Plan's Summary Plan Description (the University of Rochester Health Program Guide, or the Medicare-eligible Health Program Guide) or contact the University's Office of Total Rewards at (585) 275-2084. The Plan provides some greater COBRA rights than what COBRA requires—but nothing in this notice is intended to obligate the University to expand your rights beyond COBRA's requirements, and the University may change that policy at any time.

**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. You can learn more about many of these options at [www.Healthcare.gov](http://www.Healthcare.gov) or 1-800-318-2596, or if you reside in New York State, at <https://nystateofhealth.ny.gov/> or 1-855-355-5777.

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 Plan coverage when it 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 Plan is lost because of the qualifying event. Although not required by law, the University also gives domestic partners the same COBRA election opportunities as spouses. Under the Plan, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage, other than EAP coverage, which is provided automatically and free of charge.

## Who Is Entitled to Elect COBRA?

If you're an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

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

If you're the spouse (or domestic partner) of an employee, you'll become a qualified beneficiary if you lose your coverage under the Plan because of the following qualifying events:

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

Your dependent children (including children of your domestic partner) will become qualified beneficiaries if they lose coverage under the Plan 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 his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (Part A, Part B, or both);
- The parents become divorced or legally separated or end a domestic partnership; or
- The child stops being 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 the University of Rochester, 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. The retired employee's spouse, surviving spouse, domestic partner and dependent children will also become qualified beneficiaries if bankruptcy results in the loss of their coverage under the Plan.

### **When is COBRA continuation coverage available?**

The Plan will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred.

### Automatic Notice is Provided to the Plan Administrator for Some Qualifying Events

The University must notify the Plan 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).

You need not notify the University's Office of Total Rewards of any of these qualifying events.

#### You Must Give Notice of Some Qualifying Events

**For all other qualifying events (divorce or legal separation of the employee and spouse or dissolution of a domestic partnership or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 60 days after the qualifying event occurs.** A COBRA election will be available to you only if you notify the University's Office of Total Rewards in writing at the address at the end of this notice within 60 days after the later of (1) the date of the qualifying event; and (2) the date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the qualifying event. **If you do not notify the University's Office of Total Rewards in writing during the 60-day notice period, THEN ALL QUALIFIED BENEFICIARIES WILL LOSE THEIR RIGHT TO ELECT COBRA.**

#### **How is COBRA continuation coverage provided?**

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. If you choose continuation coverage, the University of Rochester is required to give you coverage which, as of the time is being provided, is identical to the coverage provided under the plan to similarly situated active employees or family members. You will also continue to have some rights to change your coverage, including annual open enrollment and special enrollment rights.

#### Electing COBRA

Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children. COBRA continuation coverage for the EAP will be provided automatically and free of charge.

If you are eligible, your Third Party Administrator (TPA) will send you the COBRA Information and Enrollment Packages as necessary. If you choose continuation coverage:

- You must complete and return the election form(s) indicating the type of coverage(s) you wish to continue to the address listed below within 60 days from the date that you should lose coverage or the date of the enclosed letter, whichever is later.
- You also must complete and return an appropriate application within 60 days from the date that you would lose coverage or the date of the COBRA Information and Enrollment Package, whichever is later, if you choose continuation coverage in one of the University of Rochester Health Care Plans.
- You must pay the entire cost of the premium plus an additional 2% of the premium as an administrative charge.

The address for submitting Excellus and VSP member election form(s):

**Lifetime Benefit Solutions (LBS)**

PO Box 332  
Liverpool, NY 13088

You will be billed directly by the Insurance Company(ies). COBRA rates are subject to change.

How Long Does COBRA Coverage Last?

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.

When the qualifying event is the death of the employee, the employee becoming entitled to Medicare benefits (under Part A, Part B, or both), your divorce or legal separation, or a dependent child's losing eligibility as a dependent child, COBRA continuation coverage lasts 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 continuation coverage for qualified beneficiaries other than the employee lasts up to 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare eight months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children 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 eight months).

COBRA coverage under the Flexible Spending Account can last only until the end of the year in which the qualifying event occurred—see the paragraph below entitled “Are there Special Rules for Flexible Spending Accounts?”

The COBRA coverage periods described above are maximum coverage periods. COBRA coverage can end before the end of the maximum coverage periods described in this notice for several reasons, which are described below and in the Plan's Summary Plan Description.

There are two ways (described in the following paragraphs) in which the 18-month period of COBRA continuation coverage resulting from a termination of employment or reduction of hours can be extended. (The period of COBRA coverage under the Flexible Spending Account cannot be extended under any circumstances.)

### ***Disability extension of 18-month period of COBRA continuation coverage***

If you or anyone in your family covered under the Plan is determined by Social Security to be disabled and you notify the University's Office of Total Rewards in a timely fashion, 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. 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 of employment or reduction of hours. 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 disability extension is available only if you notify the University's Office of Total Rewards 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. This notice must be made in writing and must include a copy of the of the Social Security Administration's determination letter. The notice must be sent to the Office of Total Rewards at the address at the end of this notice.

**If you do not provide notice to the University's Office of Total Rewards during the 60-day notice period and within 18 months after the covered employee's termination of employment, or reduction of hours, THEN 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 Plan Administrator of that fact within 30 days after the Social Security Administration's determination. If you do not notify the Plan Administrator, the Plan reserves the right to retroactively cancel COBRA coverage and to seek reimbursement of all benefits paid after the first day of the month beginning 30 days after the Social Security Administration determines that the disabled qualified beneficiary is no longer disabled.

### ***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 can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if the Plan is

properly notified about the second qualifying event. This extension may be available to the spouse, domestic partner and any dependent children 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 ends a domestic partnership; 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 spouse or dependent child to lose coverage under the Plan had the first qualifying event not occurred.

### Are There Circumstances When COBRA Coverage Might Terminate Early?

Yes. Continuation coverage will be terminated 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 continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary;
- A qualified beneficiary becomes enrolled in Medicare benefits (under Part A, Part B, or both) after electing continuation coverage; or
- The University ceases to provide any group health plan or voluntary vision plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or covered dependent not receiving continuation coverage (such as fraud).

You must notify the Plan Administrator 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. The Plan reserves the right to retroactively cancel COBRA coverage and to seek reimbursement of all benefits paid after the event that allowed early termination of COBRA coverage if the qualified beneficiary does not notify the Plan Administrator immediately of such coverage. In the event of early termination, the Plan Administrator will provide the qualified beneficiaries with written notice as required by COBRA.

### **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](http://www.healthcare.gov) (or <https://nystateofhealth.ny.gov/> for the New York Marketplace).

When you lose job-based health coverage, it's important that you choose carefully between COBRA continuation coverage and other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option.

### **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 period<sup>1</sup> 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>.

### **Are there Special Rules for Flexible Spending Accounts?**

Yes. COBRA coverage under the Flexible Spending Account will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an

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

underspent account if the annual limit elected by the covered employee, reduced by the reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premiums for Flexible Spending Account COBRA coverage that will be charged for the remainder of the Plan year. COBRA coverage will consist of the Flexible Spending Account coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by reimbursable claims submitted 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 (with the exception of the permitted \$500 rollover), and COBRA coverage will terminate at the end of the Plan year. Unless otherwise elected, all qualified beneficiaries who were covered under the Flexible Spending Account will be covered together for Flexible Spending Account COBRA coverage. However, each qualified beneficiary could alternatively elect separate COBRA coverage to cover that beneficiary only, with a separate Flexible Spending Account annual limit and a separate premium. If you are interested in this alternative, contact the University's Office of Total Rewards for more information.

## **More Information About Individuals Who May Be Qualified Beneficiaries**

### Children Born to or Placed for Adoption with the Covered Employee during COBRA Coverage

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. The child's COBRA coverage begins when the child is enrolled in the Plan, 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, the child must satisfy the otherwise-applicable Plan eligibility requirements (for example, regarding age).

### Alternate Recipients under QMCSOs

A child of the covered employee who is receiving benefits under the Plan pursuant to a qualified medical child support order (QMCSO) received by the University's Office of Total Rewards during the covered employee's period of employment with the University is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

## **If you have questions**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, 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](http://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](http://www.HealthCare.gov).

## **Keep your Plan informed of address changes**

To protect your family's rights, let the Plan Administrator know about any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

**Plan contact information**

If you have any questions, please contact the Office of Total Rewards of the Office of Human Resources. You may obtain information about the Plan and COBRA coverage on request from:

University of Rochester  
Office of Human Resources, Total Rewards  
60 Corporate Woods, Suite 310  
Rochester, NY 14627  
Telephone: (585) 275-2084  
Email: [TotalRewards@rochester.edu](mailto:TotalRewards@rochester.edu)

The address for written correspondence is:

University of Rochester  
Office of Human Resources – Total Rewards  
P.O. Box 270453  
Rochester, NY 14627-0453

This contact information for the Plan may change from time to time. The most recent information will be included in the Plan's most recent summary plan description or annual enrollment materials (if you do not have a copy of the summary plan description, you may request one from the University's Office of Total Rewards).