

PLAN AND TRUST FUND

INSTRUCTIONS FOR CONTINUATION OF GROUP HEALTH/DENTAL COVERAGE

“COBRA”

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) requires employers participating in this plan to offer plan participants the opportunity to continue health and/or dental coverage at group rates in certain circumstances where coverage under the plan would otherwise end.

The following instructions explain the process to follow in offering “COBRA” coverage.

Instructions to School Administrators

1. Have form A completed by the employer and Form B completed by the employee (with signature) within 60 days of the qualifying event or the date of notification, whichever is later. If the employee chooses to waive coverage, the school is responsible for having a record of the waiver on file.
2. If coverage is for a dependent only, have the **dependent** complete a CSI Group Enrollment Form when applying for coverage and a Priority Health Enrollment Form if they are to be covered by Priority Health.
3. If coverage is for an employee who has terminated employment with the school, the employee must also complete a new CSI Group Enrollment Form and a Priority Health Form if they are to be covered by Priority Health medical coverage.
4. On Form A, the employer must enter the COBRA rates for the individual’s current plan of coverage. COBRA coverage is 102% of the current employee rate. (Always round **UP** to the nearest dollar.)
5. Send completed Forms A & B to the CSI Group Insurance Plan Administrative office immediately upon receipt **and include** Enrollment Forms or have the employee send them directly to the CSI Insurance office.
6. Continuance of coverage may be denied if notification is not received within 60 days.
7. It is important that you can verify that you have offered the employee “COBRA” coverage. To do this be sure to keep a completed copy of Form B.
8. Remember that a terminating employee who is 55 years old or older and has been covered by the school’s health insurance plan for the previous three years should apply for the CSI Retiree Insurance Plan, which has no limit on how long coverage can be carried. An employee will not be eligible for the CSI Retiree Insurance Plan once COBRA coverage begins and will not be eligible when COBRA coverage ends.
9. COBRA regulations also apply to the health care reimbursement account of the CSI Flexible Benefits Plan. Review page 2-8 in the Administration Manual.