

TO: Employees Eligible to Participate in the State of Nebraska Group Health Plan
FROM: AS-Employee Benefits

RE: COBRA RIGHTS NOTIFICATION

If you are eligible to participate in the State of Nebraska Group Health Plan (if you participate, you must complete an enrollment form and pay part of the premium through payroll deductions).

As an employee of the State of Nebraska, you, your spouse, or your covered dependents may choose to have your current health care benefits continued in a number of situations that ordinarily end your coverage. The coverage is provided according to the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) and is often referred to as “COBRA coverage.” You have to pay the cost of any continued benefits.

Events that Qualify for Continued Coverage

If your employment with the State of Nebraska ends or if your hours are reduced to the point where your coverage stops, coverage for you, your covered spouse, and you covered dependents (all collectively referred to as qualified beneficiaries) may continue for up to 18 months. Also, if any events (1 through 3 below) occur during the 18 month period, your covered spouse or other covered dependents may continue coverage for up to 36 months. The State of Nebraska will contact you with instructions for continuing your coverage if your employment ends or your hours are reduced.

In addition, if you, your spouse, or your covered dependents are determined to be disable (as defined by the Social Security Act) during the first 60 days of your extended coverage due to your employment ending or your hours being reduced, up to an additional 11 months of COBRA coverage may be available for the disabled individuals at a higher premium. To be eligible, the disabled individual must notify the State of Nebraska within 60 days after receiving a determination of disability by Social Security. In addition, the determination must be made within that individual’s 18 months of COBRA coverage. The disabled individual must also notify the State of Nebraska within 30 days of the date the disability ends.

Finally, if one of the following events occurs, your spouse’s or dependents’ health care benefits may be continued for up to 36 months:

1. Your death
2. Your divorce or legal separation
3. Your dependent’s loss of dependent coverage provided under the State of Nebraska provided health plan.

For the first event, the State of Nebraska will provide instructions for continuing coverage. For the second through fourth events, you, your spouse, or your covered dependents must notify the State of Nebraska within 60 days after the later of the date coverage is lost or the date the second through fourth event occurs.

Events that may modify continued coverage

Extended coverage may be modified if, during your 18, 29, or 36-month continuation period, a child is born to you or placed for adoption with you. In such a case, you may notify the State of Nebraska within 30 days of the birth or placement if you wish to cover the new dependent under your health care benefits. There may be a higher premium for this additional coverage.

Events that end continued coverage

Extended coverage will end automatically upon the expiration of the 18, 29 or 36-month continuation periods described on the previous page. In addition, extended coverage will end automatically if any of the situations listed below occurs:

1. The State of Nebraska stops providing group health benefits
2. The initial premiums are not paid within 45 days of the end of your 60-day election period.
3. Premiums for subsequent months are not paid within 30 days of the due date.
4. A person eligible for continued benefits becomes covered under any other group health plan **after the COBRA election** (unless the health plan has an enforceable pre-existing condition clause) or becomes entitled to Medicare **after the COBRA election**.