



COBRA CONTINUATION COVERAGE ELECTION NOTICE

This notice contains important information about your right to continue your health care coverages from the University of Iowa, as well as other health coverage alternatives that may be available to you through the Health Insurance Marketplace at www.HealthCare.gov or call 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA Continuation Coverage. Please read the information contained in this notice carefully before you make your decision.

You are receiving this election notice because you experienced a loss of coverage.

If you choose to elect COBRA continuation coverage, follow the instructions on the following pages to complete the enclosed enrollment forms and submit to the University Benefits Office. You will have 60 days from the date your coverage will terminate or the date of this notice, whichever is later, to complete and return the attached COBRA enrollment forms. If the enrollment forms are not returned within 60 days, you will not be eligible to continue coverage.

The plan in which you are currently enrolled is listed on the enrollment form. Each of your qualified beneficiaries, if currently covered by your university plans, is entitled to elect COBRA continuation coverage.

You do not have to send any payment with the enrollment forms. Important additional information about payment for COBRA continuation coverage is included in the pages following.

Are there other coverage options besides COBRA continuation coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicare, Medicaid, Children's Health Insurance Program (CHIP), 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. You should compare your other options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage, you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible.

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.

If you have any questions concerning your rights to COBRA continuation coverage, contact the University Benefits Office, 319-335-2676, 120 University Services Building, Iowa City, IA 52242 or via email at benefits@uiowa.edu.

Important Information about your COBRA Continuation Coverage Rights

What is continuation coverage?

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care 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, the covered employee's spouse, and the dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan.

If I elect COBRA Continuation Coverage, when will my coverage begin? How long will continuation coverage last?

If elected COBRA Continuation Coverage, it will begin the first of the month following the loss of coverage.

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued for up to a total of 18 months for health, dental, wellness programs, and to the end of the calendar year for your health care spending account. In the case of losses of coverage due to an employee's death, divorce, legal separation, the employee becoming entitled to Medicare benefits, or a dependent child ceasing to be a dependent under terms of the plan, coverage may be continued for up to a total of 36 months for health, dental, and wellness programs. When the qualifying event is the end of employment, reduction of the employee's hours of employment, or 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 until 36 months after the date of Medicare entitlement for the health program.

Continuation coverage may 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 under another group health plan, or
- The employer ceases to provide any group plan for its employees.

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

How can you extend the length of COBRA continuation coverage?

If you elect continuation 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 University Benefits Office of a disability or a second qualifying event to extend the period of continuation coverage. Failure to provide notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

For more information about extending the length of COBRA Continuation Coverage visit <https://www.dol.gov/ebsa/publications/cobraemployee.html>.

How much does COBRA Continuation Coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in this notice.

You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA Continuation Coverage. You can learn more about the Marketplace below.

What is the Health Insurance Marketplace?

The Marketplace offers "one-stop shopping" to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you decide to enroll. Through the Marketplace you'll also learn if you qualify for free or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP). You can access the Marketplace for your state at www.HealthCare.gov.

Coverage through the Health Insurance Marketplace may cost less than COBRA Continuation Coverage. Being offered COBRA Continuation Coverage won't limit your eligibility for coverage or for a tax credit through the Marketplace.

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a "special enrollment" event. **After 60 days your special enrollment period will end and you may not be able to enroll, so you should act right away.** In addition, during what is called an "open enrollment" period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.HealthCare.gov.

If I sign up for COBRA Continuation Coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA Continuation Coverage?

If you sign up for COBRA Continuation Coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA Continuation Coverage early and switch to Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a “special enrollment period.” But be careful though – if you terminate your COBRA Continuation Coverage early without another qualifying event, you’ll have to wait to enroll in Marketplace coverage until the next open enrollment period and could end up without any health coverage in the interim.

Once you’ve exhausted your COBRA Continuation Coverage and the coverage expires, you’ll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA Continuation Coverage, you cannot switch to COBRA Continuation Coverage under any circumstances.

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse’s plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you’re eligible, you’ll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

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 initial enrollment period for Medicare Part A or B, you have an 8-month special enrollment period¹ to sign up, 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 Part B 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 then 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.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse’s plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you’re currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- **Drug Formularies:** If you’re currently taking medication, a change in your health coverage may affect your costs of medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.

¹ <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>. These rules are different for people with End Stage Renal Disease (ESRD).

- **Severance payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all your COBRA payments for a period. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- **Service Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

When must payment for COBRA continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, your COBRA coverage begins retroactively on the first day of the month following the qualifying loss of coverage. You do not have to send any payment with the enrollment forms. However, you must make your first payment for continuation coverage not later than 45 days after the date of your election. (This is the date the COBRA Continuation Enrollment Form is post-marked if mailed.) If you do not make your first payment for continuation coverage in full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Plan. Enclosed is a list of the rates. It will be your responsibility to pay the total monthly premium. After you make your first payment for continuation coverage, you will be required to make monthly payments for each subsequent coverage period.

There are two options for payment:

1. Automatic premium deduction from your bank account. Enclosed in this packet is the University Billing Authorization for Automatic Withdrawal. Complete the form and return it to the Billing Office. You can select which day of the month the deduction will occur. The form must be received by the 15th of the month to start the deduction for next month's premium.
2. The University of Iowa Business Office will send you a bill via US mail on the first of each month, unless forms are completed to do the automatic bank account deduction. Instructions for how and where to remit payment will be included.

Grace periods for periodic payments

Although periodic payments are due on the first day of the month for that month's coverage, you will be given a grace period of 30 days after the first day of the coverage period to make each periodic payment. Your continuation coverage will be provided for each coverage period if payment is made before the end of the grace period for that payment.

If you fail to make a periodic payment before the end of the grace period for that coverage period, you may lose all rights to continuation coverage under the Plan.

If you elect to continue coverage and later wish to cancel it, please notify University Benefits in writing or by email. Phone calls will not be accepted. Cancellation will be effective from the first of the month following receipt of a request to cancel in the University Benefits Office.

For more information

If you have questions related to this coverage, please call University Benefits at 319-335-2676, toll-free at 877-830-4001, email us at benefits@uiowa.edu, or come into our office between 8:00 a.m. and 5:00 p.m., Monday through Friday. University Benefits is located at 120 University Services Building, University of Iowa, Iowa City, IA 52242-1911.

For more information about your rights under COBRA, the Patient Protection & Affordable Care Act and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website www.dol.gov/ebsa or call 1-866-444-3278. For more information about health insurance options through the Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit www.healthcare.gov.

Keep your plan informed of address changes

To protect your and your family's rights, you should keep the Plan Administrator 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 the Plan Administrator.