



ADMINISTRATIVE DIRECTIVE

COBRA CONTINUATION COVERAGE	NUMBER 3.04-5	PAGE 1 of 3
	EFFECTIVE DATE October 1, 2010	

I. PURPOSE

To provide for the continuation of health benefits in accordance with the provisions of United States Public Law 99-272, Title X, also known as the Consolidated Omnibus Budget Reconciliation Act (COBRA), as amended from time to time.

II. POLICY

It is the City of Tucson's (City) policy to provide extended coverage of designated group health benefits to employees and Qualified Beneficiaries who experience a Qualifying Event resulting in the loss of coverage.

This directive shall be administered and interpreted consistent with applicable state and federal law, including the COBRA, as amended from time to time.

III. DEFINITIONS

Covered Employee – (1) A permanent full-time employee or a permanent part-time employee who works 20 hours or more each week; (2) A permanent probationary employee in one of the above categories; or 3) An elected official or appointed employee. Seasonal, provisional, intermittent and/or temporary employees are not Covered Employees.

Continuation Coverage – Temporary continuation of group health coverage to Qualified Beneficiaries when group health plan coverage would otherwise be lost due to Qualifying Events, as defined herein.

Gross Misconduct – Any action by a covered employee that may result in a criminal indictment or arrest, and which may be considered a felony pursuant to Arizona Revised Statutes.

Group Health Plan – Any medical, dental, vision and Health Flex Spending Account (FSA) benefit plan offered by the City. It does not include life insurance, disability, or voluntary benefits.

Qualified Beneficiaries – An individual who was covered by the group Health Plan the day before a Qualifying Event occurred and who is the Covered Employee, employee's spouse/domestic partner or former spouse/domestic partner, or the employee's child or dependent as defined in the Employee & Retiree Benefits Handbook. Note any child born to or placed for adoption with a covered employee during a period of continuation coverage is automatically considered a Qualified Beneficiary.

Qualifying Event – An event that causes an individual to lose group health coverage. The type of qualifying event determines the maximum continuation coverage period the plan must offer.



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Termination – The discontinuance of employment with the City for any reason (resignation, discharge, layoff, appointment expiration).

IV. HEALTH BENEFIT CONTINUATION PROGRAM

A. Qualifying Events and Maximum Continuation Coverage

When the Qualifying Event is the Covered Employee's termination (for reasons other than gross misconduct) or reduction in scheduled work hours, the Covered Employees and Qualified Beneficiaries are eligible for a maximum of eighteen (18) months of group health plan continuation coverage.

When the Qualifying Event is as follows: the Covered Employee's death, divorce or legal separation of the employee and spouse; the Covered Employee's medicare eligibility; or the child ceases to qualify for benefits due to age or loss of dependent status, the Qualified Beneficiary(ies) are eligible for a maximum of thirty-six (36) months of group health plan continuation coverage.

B. Extension of Maximum Continuation Coverage

An individual may be entitled to a continuation of coverage beyond the 18-month maximum period in two circumstances: Disability or upon the occurrence of a second Qualifying Event. An extension will also be granted when mandated by state or federal law.

C. Early Termination of Continuation Coverage

Group health plan continuation coverage may be terminated earlier than the end of the maximum period for the Covered Employee or Qualified Beneficiary(ies) for any of the following reasons:

1. Premiums are not paid in full on a timely basis;
2. The City ceases to maintain any group health plan;
3. Coverage begins under another group health plan;
4. Entitlement to Medicare Benefits.

D. Notice

The Covered Employee or Qualified Beneficiary is responsible for notifying the Benefit Office if death, divorce or separation, or if a child is no longer a dependent. In these instances, notice must be given to the Benefit's Office within sixty (60) days of the event.



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E. Election Process

To continue coverage, the Covered Employee and/or Qualifying Beneficiary(ies) must complete the required COBRA election form within 60 days after group health coverage terminates or notice is mailed, whichever is later.

COBRA election forms are also available from the Benefits Office, Human Resources Department. The individual does not have to show that he/she is insurable to obtain the continuation coverage. Failure to complete and submit the COBRA election forms for continuation coverage within 60 day period will result in the termination of eligibility for group health coverage.

Appendices None

References None

Review Responsibility and Frequency The Human Resources Director shall review this directive annually based upon date of publication.

Authorized



City Manager



Date