



## What is Cobra?

On April 7, 1986, The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) was enacted (also known as Public Law 99-22, Title X) requiring employers with 20 or more employees to offer certain employees and their families the opportunity to elect a temporary extension of health coverage at group rates where coverage under the plan would otherwise end.

Qualified employees are entitled to continuation of benefits without evidence of good health. This coverage must provide continuous coverage identical to other similarly covered individuals who have not lost coverage. If a plan has dental, vision or other health benefits, these benefits are subject to continuation coverage. Continuation coverage does not include short-term or long-term disability and life insurance benefits. If the individual does not elect COBRA continuation, coverage will end.

### For more information about COBRA, click on one of the following links:

[Department of Labor](#)

[Medicare](#)

[Social Security Administration](#)

## How do I elect COBRA coverage?

Once you have received your Specific Rights (Qualifying Event) Notice in the mail, you should read through the information carefully. Then complete and submit the election form to Discovery Benefits no later than the last day of the election period, which is listed on the election form. According to COBRA regulations, you have 60 days from the date the Specific Rights Notice was sent or 60 days from your last date of coverage as an active employee, whichever is later, to elect coverage under COBRA.

You are allowed to change your mind during the initial election period. For example, if you waive your right to COBRA coverage and then decide to choose coverage, coverage will be granted as long as you send the final election notification to Discovery Benefits within the 60-day election period.

## When are my COBRA premium payments due?

Your initial premium payment must be postmarked within 45 days from the date you sent your election paperwork to Discovery Benefits. The initial premium typically includes all payments due between your first day of COBRA and the current month. For example, if your first day of COBRA is in July and you are making your initial premium payment in August, the first payment should include the premiums due for both July and August.

Once Discovery Benefits processes your initial premium payment, your coverage will be reinstated retroactively back to your first day of COBRA. Your right to continue coverage under the plan will end if payment is not made within the required time.

Subsequent monthly premium payments are due in full on the first day of each month. However, in accordance with COBRA regulations, you have a 30-day grace period each month in which to make your payment. In order to be considered timely, payments must be postmarked (not necessarily received) within the 30-day grace period. Again, your coverage under the plan will end if payment is not made within the required time.

## **How long may I and/or my dependents continue coverage under COBRA?**

Depending on the circumstances, you and/or your dependents may be eligible to continue coverage under COBRA for 18, 29, or 36 months.

**18 months** – If you are an employee that has lost coverage due to reduction in hours or termination of employment, you and any covered dependents may be eligible to continue coverage under COBRA for up to 18 months.

The 18-month continuation period may be extended to a maximum of 36 months for covered dependents if a second qualifying event occurs during the 18-month continuation period. Second qualifying events may include death of the former employee, divorce or legal separation, and loss of dependent status under the plan. It is your responsibility to notify Discovery Benefits if you experience one of these events while on COBRA. Notification must be made within 60 days of the second qualifying event. Submit a completed Second Qualifying Event Form PDF along with a copy of the death certificate or the divorce decree, if applicable.

**29 months** – If you or one of your covered dependents is determined by the Social Security Administration to have been disabled prior to or within the first 60 days of COBRA coverage, you and any covered dependents may be eligible for the disability extension. The extension may be granted provided a determination letter issued by the Social Security Administration is sent to Discovery Benefits within 60 days of the issue date of the determination letter as well as within the original 18 months of COBRA coverage. To be eligible for the 11-month extension, affected individuals must comply with the notice requirements in a timely manner. Premiums during the additional 11 months of coverage may be at a substantially higher rate.

In order to apply for the disability extension, submit a completed Social Security Disability Extension (SSDE) Form along with a copy of the determination letter.

**36 months** – When covered dependents lose coverage due to death of the employee, divorce or legal separation, loss of dependent status under the plan, or the employee becoming covered by Medicare, they may be eligible to continue coverage under COBRA for up to 36 months.

## **What if I have additional questions about COBRA?**

Please contact Discovery Benefits at:

866-451-3399

3216 13<sup>th</sup> Avenue South

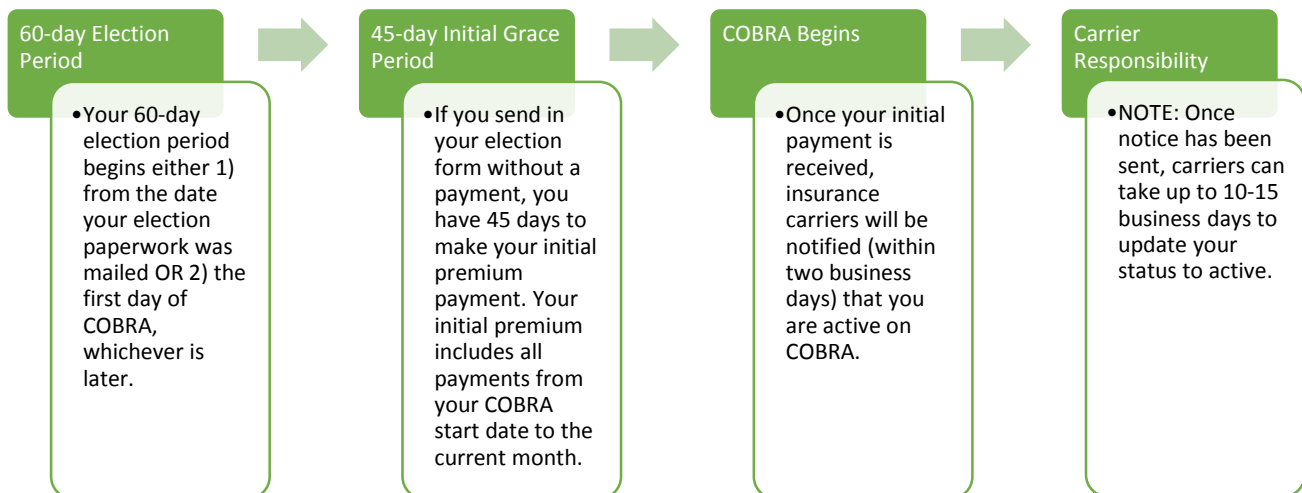
Fargo, ND 58103

This is a basic guide to help with your COBRA enrollment questions. Any additional questions can be answered by calling Discovery Benefits at 1-866-451-3399 (option 1, option 2).

- 1) **Read your election paperwork thoroughly.** It is important to know your COBRA rights.
- 2) **Decide what benefits you wish to continue.** COBRA is a continuation of the same benefits you had while you were actively employed. You can drop coverage or decrease coverage level (e.g., family to single) at any time; however, you can generally not add coverage or increase coverage level unless your former employer is in an open enrollment period.
- 3) **Fill out the COBRA election form.** This form communicates to us which benefits you want to continue through COBRA.
  - a. Be sure to check the appropriate box (Accept or Waive) for each benefit.
  - b. Once you have read the signature certification paragraph, check the box.
  - c. Sign and date the election form (paragraph and signature may be on separate page from your election options).
- 4) **Determine your cost.** Your benefits will not be reinstated until your initial premium is paid. Once your election form AND initial payment are received, your insurance carriers will be notified to reinstate your coverage effective your first day of COBRA.

**What is my initial premium payment?** Your initial premium payment is the amount needed to pay your account current from your first day of COBRA. Once your initial premium payment is made, payments are due the first of each month thereafter. You have a 30-day grace period each month to make your payment. However, payments received after the first of the month could result in an interruption of coverage with your insurance carriers.

After we receive your initial premium payment, you will be sent an Enrollment Confirmation Notice and a set of payment coupons. You will not be sent monthly payment reminders. You will need to be responsible for making timely payments.
- 5) **Mail your election form.** Keep in mind your carriers are not notified of your COBRA election until your initial payment is also received. Below is a basic enrollment timeline.





**2015 COBRA Monthly Premium Rates**

**January 1, 2015 – December 31, 2015**

<b>Medical</b>	<b>Traditional Plan</b>
Employee Only	\$451.73
Employee + Spouse	\$905.71
Employee + Child(ren)	\$739.51
Employee + Family	\$1,280.13

<b>Medical</b>	<b>Liberty Plan</b>
Employee Only	\$431.25
Employee + Spouse	\$864.64
Employee + Child(ren)	\$705.97
Employee + Family	\$1,222.09

<b>Dental</b>	<b>Low Plan</b>	<b>High Plan</b>
Employee Only	\$21.36	\$29.73
Employee + Spouse	\$45.66	\$63.00
Employee + Child(ren)	\$48.22	\$69.99
Employee + Family	\$79.61	\$114.08

<b>Vision</b>	
Employee Only	\$8.36
Employee + Spouse	\$16.30
Employee + Child(ren)	\$17.54
Employee + Family	\$18.64