



Information on COBRA, CDS and the Affordable Care Act

1. What is COBRA continuation coverage?

COBRA is not an insurance company, nor is it health insurance. COBRA is an abbreviation for a federal regulation that governs how and when a qualified beneficiary can continue terminated group health and/or dental insurance coverage for a specified period of time by self-paying the premium. Your COBRA Election Notice includes all of the dates, deadlines, and rules for making an election.

2. Who is entitled to COBRA continuation coverage?

Employees, covered spouses or covered children all have rights to continue coverage under the COBRA continuation coverage rules. Each qualified beneficiary in your family group who is listed on the Election Form has an independent right to elect COBRA continuation coverage. This means that they can pick and choose between the available COBRA plans or decline COBRA continuation coverage in its entirety. Your COBRA Election Notice includes all of the dates, deadlines, and rules for making an election. If the information does not look right to you, please contact Rachael Brennan in the UUA Insurance Plans Office (RBrennan@uua.org).

COBRA Enrollment and Effective Date

3. Am I required to enroll in COBRA continuation coverage?

COBRA is a right, but it is optional, and until you make an election and pay your initial premium, your health coverage is terminated.

4. Has my health coverage been terminated?

Yes, until you make your election and pay your initial premium your health coverage has been terminated as of the date on the summary page of your Election Notice. COBRA is

a right, but it is optional, and you must make an election and pay your initial premium to reinstate your coverage. Your COBRA Election Notice includes all of the dates, deadlines, and rules for making an election.

5. Will electing COBRA coverage affect my ability to enroll in a state Exchange Plan?

- A. Yes, if you elect COBRA, in most instances you must wait until the next state Exchange open enrollment period to switch to an Exchange plan. Losing your job-based coverage is a special enrollment event in the Health Insurance Marketplace, (aka, the state Exchanges, which use a variety of names). The Marketplace offers "one-stop shopping" to find and compare private health insurance options. In the Marketplace, you could be eligible for a tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance and copayments), and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Before enrolling in COBRA, carefully consider your state Exchange options.
- B. One exception to (A) is covering the lag between the time you apply for Exchange coverage and the date the Exchange sets for the effective date of your coverage. If you need health coverage in the time between losing your job-based coverage and beginning coverage through the Marketplace, you may wish to elect COBRA coverage from your former employer's plan. Before you make your COBRA election, check with your state Exchange to confirm that they will allow you to use COBRA to cover the gap.
- C. If you or your dependent elects COBRA continuation coverage, you will have another opportunity to request special enrollment in a group health plan or a Marketplace plan if you have a new special enrollment event, such as marriage, the birth of a child, or if you exhaust your continuation coverage. To exhaust COBRA continuation coverage, you or your dependent must receive the maximum period of continuation coverage available without early termination. Keep in mind if you choose to terminate your COBRA continuation coverage

early with no special enrollment opportunity at that time, you generally will have to wait to enroll in other coverage until the next open enrollment period for the new group health plan or the Marketplace.

6. When does COBRA continuation coverage start?

COBRA is always effective the day after your active coverage ends unless you initially decline coverage and subsequently notify CDS that you wish to elect coverage before the end of the 60 day eligibility period. In this case coverage will be effective on the day your election form is received by CDS.

7. Can I start and stop COBRA continuation coverage?

No. You cannot start and stop COBRA and you cannot skip any months. COBRA is always effective on the day after your active coverage ends and is continuous until terminated.

8. Can I terminate COBRA continuation coverage?

Yes. You can terminate COBRA continuation coverage in its entirety or just certain plans. Each enrolled qualified beneficiary can make that decision independent of any other enrolled qualified beneficiary.

9. What if I don't want COBRA continuation coverage?

If you don't want to enroll in COBRA continuation coverage, simply do not return the form. You don't need to notify us. If you do waive COBRA continuation coverage, there are special rules if you should change your mind before the end of your election period. Contact CDS for information.

10. What if some family members want COBRA and other don't want COBRA?

Because each qualified beneficiary has an independent right to COBRA, qualified family members can make their own election and plan decisions. If someone in your family group doesn't want COBRA but others do want COBRA, you will complete the Election Form accordingly. The Election Form has detailed instructions on it but, if you have any questions, please let CDS know.

11. What happens after I return my Election Form and initial premium?

We will make certain the Election Form is completed correctly and the required deadlines have been met. We will review your initial premium to make sure it's the correct amount and has been received on time. If everything is in order, the reinstatement process will start. If you want to shorten the period of time between coverage termination and reinstatement, return your Election Form and pay your initial premium as soon as possible. The process can take five business days or more to be reinstated in the health plan, prescription drug plan and/or dental insurance systems.

12. Can I wait to make my initial premium payment?

Yes but it will delay coverage reinstatement. The COBRA rules allow you to make an election by returning your Election Form, and then waiting up to an additional 45 days to make the initial premium payment. The deadline for returning the election form is on your Election Notice. You must pay your initial premium in order for the coverage reinstatement process to begin. If you want to shorten the period of time between coverage termination and reinstatement, return your Election Form and pay your initial premium as soon as possible.

13. Is coverage reinstated immediately?

No. There is a processing lag time and it can take a up to five business days or more for your health and/or dental insurance companies to update their records. In the meantime, your coverage is still terminated and your healthcare provider may ask for payment for any services rendered. Once your coverage is reinstated, you can file a claim for reimbursement.

14. Will I be able to make changes to my plan elections in the future?

Yes. Once COBRA continuation coverage is elected and the 60 day election period has passed, you can drop a plan at any time. But, to change between plans or add new plans, you may need to wait until open enrollment. If you acquire a new dependent, you have the same rights as an active employee to add new dependents. Those rules are in your plan booklet or summary plan description.

Health Plan Coverage

15. Does my insurance carrier change?

No. CDS in Pittsburgh is an administration company that the UUA has hired to issue notices, answer questions, receive elections, collect premiums, and handle all COBRA related matters as the UUA billing office. Your insurance carrier remains the same. CDS does not work for the insurance company that provides your health coverage. They do not process or pay your claims or issue ID cards. CDS does coordinate eligibility, however, and any problems should be directed to their attention.

16. Will my health plan coverage and deductibles stay the same?

Yes, your coverage will stay the same for the plan(s) that you elect. It will be as if you never lost coverage. That includes full credit for any deductibles that have been satisfied, plan maximums, etc. Once again, it's as if you never lost coverage. If, however, the UUA makes a change, you will be treated the same as an active employee and your benefits will change, too.

17. What if I have to use my health plan or get a prescription filled?

You can still see your healthcare provider or get a prescription filled. But, until your coverage has been reinstated, you may have to make payment at the time of service and file a claim after your coverage is reinstated. Claim forms are available from RBrennan@uua.org or on the Highmark BCBS website.

18. How can I avoid a lapse in coverage?

By returning your election form and paying your initial premium as soon as possible, you will minimize the delay in coverage reinstatement.

COBRA Premiums

19. Difference in active cost and COBRA cost?

The monthly premium cost can come as a surprise. In many instances, your employer was paying all or a portion of the cost for you. Now, because you are no longer entitled

to coverage under the employer's plan, you have to pay the full cost of coverage plus a 2% administrative fee.

20. What is the initial premium amount and how is it determined? How do I pay after that?

The initial premium is determined by your final COBRA plan elections, using the rates currently in effect, with a 2% service fee. Once you have made your elections on the Election Form, add up the monthly premium amount that is due. For your coverage to be activated, at the time you make your initial payment, you must pay the first month's premium, PLUS the premium for any subsequent month since your COBRA effective date.

Once you have made your initial payment and activated your COBRA coverage, you will be billed each month for as long as you remain on COBRA. You will receive an invoice approximately two weeks before the new month begins, with a due date of the 10th of the new month. If you miss that due date, you enter a grace period of 30 days, after which your coverage will be terminated. You will continue to owe the premium for coverage during the grace period.

INITIAL PAYMENT EXAMPLE: Your active coverage ends on June 20. That means that when your COBRA continuation is activated, it will be effective June 21. We do not bill for the initial partial month, from June 21 – June 30.

- 1) Your 1st payment covers July (and the last 10 days of June).
- 2) If you wait until August 1 to make your initial payment, you will have to pay for July and August to activate COBRA.
- 3) If you wait until September 1 to make your initial payment, you will have to pay for July, August, and September to activate COBRA.

SUBSEQUENT BILLING EXAMPLE: You activated your COBRA coverage by paying for July on June 28.

- a. On approximately July 18, you will receive an invoice for August, due August 10.
- b. If your payment is not received by August 10, you enter a 30 day grace period.
- c. If your August payment is not received by September 9, your COBRA coverage will be terminated effective August 31. You will continue to owe us for August coverage.

21. What if I want COBRA for only one or two months?

You will adjust your initial premium accordingly. Using the example in the prior question, if you want coverage for January only, that would be your initial (and final)

premium payment. If you only want coverage for January and February, that would be your initial (and final) premium payment.

22. When will I receive a bill?

Once your election is received, you will receive a monthly invoice from CDS, our billing service located in Pittsburgh PA.

23. ID Cards

In most instances, your old card will still work after you have been reinstated. If you change coverage levels from the Standard PPO to a higher deductible plan you will receive a new ID card for each family member.