

		Policy Number: AG-056
Subject:	COBRA (Consolidated Omnibus Budget Reconciliation Act)	
Section:	AMINISTRATIVE GENERAL	
Effective Date: 11/15/2010	Review Date: 04/01/2015	
	Revised Date:	
<input type="checkbox"/> New Policy	<input type="checkbox"/> Supersedes Policy Dated:	
Issued by: HR Administrator	Concurred with and Approved by: Jim Burns, Director Initial: _____	
Cross Reference:		
Distribution:	All employees of Family Focus	

PURPOSE:

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 requires that terminating employees be notified of their rights to continue, at their own expense, group health plan coverage for themselves and their eligible dependents. The law is interpreted to include those employees who, because of a change in employment status, are no longer eligible for group health plan coverage. Notice must also be given to covered dependents losing coverage due to a change in dependent status.

PROCEDURES:

The plan administrator is required by law to notify employees and their dependents for whom lose their coverage and their rights and obligations under COBRA's continuation coverage provisions. This applies to employees who have lost their positions for reasons other than gross misconduct.

The employees and eligible dependents must receive notice of their right to elect continuation coverage. If continuation coverage is elected, it is made continuous from the date of loss of coverage. The employee may be required to pay up to 102% of the full group premium for this coverage, and must make the first payment within 45 days of the date of election.

Notification procedures:

The following notification procedures will be used, depending on the status of the departing employee:

Employee is Terminating Employment: The continuation coverage notification must be provided to every terminating employee and his or her covered dependents that are covered under Family Focus, Inc. health care plans subject to COBRA.

Employee is ineligible for benefits due to change in employment: The notification must be provided to an employee and his or her covered dependents who are covered under the company health care insurance program, but who, because of a change in the employee's employment status, are no longer eligible for group benefits. For example, this means any employee who falls below the required number of hours or as another classification not considered eligible for group benefits.

Change in Dependent Status: The notification must be provided to covered dependents losing coverage due to a change in dependent status, such as ceasing to be a dependent through attainment of a limiting age, divorce or legal separation, or death of a covered employee.

The COBRA Continuation Coverage instructions and premium rates notice and Request for Continuation of Coverage application is mailed to the last known home mailing address of the person losing coverage. If the employee and his or her covered dependents are losing coverage due to the employee's termination or change in employment status, you should address the envelope to the employee and family. Notice is sent no later than 10 days after the last day of employment or loss of eligibility.

Family Focus, Inc. recognizes that COBRA responsibilities may interact with USERRA (Uniformed Services Employment and Re-employment Rights Act) responsibilities for some employees.