

Questions and Answers About Your COBRA Continuation Coverage Rights

Am I eligible for the premium reduction?

If you lost Public Employees Benefits Board (PEBB) employer-sponsored group health coverage from September 1, 2008 through February 16, 2009 due to an involuntary termination of employment that occurred during that period and are not eligible for Medicare or other group health plan coverage, you may be entitled to receive the premium reduction. Information about the amount of the premium reduction and how it affects your premium payments can be found below under the question, “How much does COBRA continuation coverage cost?”

How can I apply for the COBRA premium reduction?

You must complete the *Request for Treatment as an Assistance Eligible Individual* form and submit it according to the directions. Each qualified beneficiary who lost employer-sponsored PEBB health coverage has a separate right to apply. For example, the employee’s spouse may apply for COBRA reduced-premium coverage even if the employee does not. Reduced-premium COBRA coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries and were enrolled under the employee’s coverage at the time of the involuntary termination. The employee or the employee’s spouse can elect continuation coverage on behalf of all qualified beneficiaries.

In considering whether to elect reduced-premium COBRA coverage, please keep in mind that **even if you do not qualify for the reduced premium, you can continue your current PEBB continuation coverage.**

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 health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage.

The American Recovery and Reinvestment Act of 2009 (ARRA) reduces the COBRA premium in some cases. The premium reduction is available to certain individuals who experience an involuntary termination of employment during the period beginning with September 1, 2008 and ending with December 31, 2009. If you qualify for the premium reduction, you need only pay 35 percent of the COBRA premium otherwise due to the PEBB Program. This premium reduction is available for up to nine months. If your COBRA or other PEBB continuation coverage period lasts for more than nine months, and you wish to continue your coverage for the rest of the eligibility period, you will have to pay the full amount to continue your continuation coverage. See the attached *Summary of the COBRA Premium Reduction Provisions under ARRA* for more details, restrictions, and obligations as well as the form necessary to establish eligibility.

When and how must payment for COBRA continuation coverage be made?

For most members, nothing else about the payment process will change except the amount. However, if you are a retiree who currently pays your premiums by pension deduction, you will need to change your payment method to monthly billing. If you have questions about the payment process or premiums, call PEBB Accounting at 1-800-200-1004.

How long will continuation coverage last?

If you submit your completed forms within the deadlines given and your current premiums are paid in full and on time, your COBRA premium reduction will begin retroactively on March 1, 2009. The Health Care Authority (HCA) will apply your reduced COBRA premiums toward the premiums you have already paid, and adjust future COBRA premiums or refund the difference upon request. The COBRA continuation period generally continues for up to 18 months from the date you lost employer coverage. The premium reduction lasts nine months, and may not last for the entire length of your COBRA coverage.

Your COBRA premium reduction will terminate before the end of the 18-month period if:

- Any required premium is not paid in full and on time (**this will terminate your rights to all PEBB continuation coverage, not just the COBRA premium reduction**);
- A qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary;
- A qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage; or
- The employer ceases to provide any group health plan for its employees.

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

| | And you were previously enrolled in... | Then the PEBB Program will terminate your reduced-premium COBRA coverage and... |
|--------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| If you become eligible for group health coverage | COBRA | In most instances, terminate your COBRA coverage. |
| | Leave Without Pay (LWOP) | Resume your LWOP coverage for the rest of your LWOP period. You will pay the full cost of your premium. |
| | Non-Medicare retiree coverage | Resume your retiree coverage. You will pay the full cost of your premium. |
| If you become eligible for Medicare | COBRA | Enroll you in PEBB Extension of Coverage for the rest of your original COBRA period. You will pay the full cost of your premium. |
| | Leave Without Pay | Resume your LWOP coverage for the rest of your LWOP period. You will pay the full cost of your premium. |
| | Non-Medicare retiree coverage | Enroll you in PEBB Medicare retiree coverage (if you enroll in Medicare Part A and Part B) and adjust your monthly premium to the Medicare rate. |

For more information

This notice does not fully describe continuation coverage or other rights under the PEBB Program. More information is available in your health plan's Certificate of Coverage or in the PEBB Program's *Continuation of Coverage Election Notice* booklet we sent you earlier.

If you have any questions concerning the information in this notice or your rights to coverage, or if you want a copy of the *Continuation of Coverage Election Notice* booklet, you should contact the PEBB Program at 1-800-200-1004 or go online to www.pebb.hca.wa.gov.

State and local government employees seeking more information about their rights should contact the U.S. Department of Health and Human Services' Centers for Medicare and Medicaid Services (HHS-CMS) at www.cms.hhs.gov/COBRAContinuationofCov/ or send an email to NewCobraRights@cms.hhs.gov.

Keep the PEBB Program informed of address changes

To protect your and your family's rights, you should keep the PEBB Program informed of any changes in your or a family member's address. You can do this by calling the PEBB Program at 1-800-200-1004, or notify us in writing at Health Care Authority, PEBB Program, P.O. Box 42684, Olympia, WA 98504-2684. You should also keep a copy, for your records, of any notices you send to the PEBB Program.