

Continuation of Coverage

There are four options for continuation of coverage for PEBB enrollees:

- **COBRA** – is a temporary continuation of PEBB medical and/or dental coverage that may be available when an employee terminates employment or is no longer eligible for employer sponsored coverage due to reduced work hours. COBRA may also be available for an employee's family members who lose their PEBB coverage due to the death of an employee, divorce, legal separation, or ineligibility as a child dependent.
- **Extension of coverage** – provides a temporary continuation of PEBB medical and/or dental coverage, and is available to PEBB retirees, dependents, qualified domestic partners and their dependents not eligible for COBRA.
- **Leave Without Pay (LWOP) coverage** – is a temporary continuation of PEBB medical, dental, and life insurance coverage when employees and family members lose PEBB coverage due to an authorized leave without pay, a reduction in force (RIF), receiving time-loss benefits under worker's compensation, application for disability retirement, active military duty (life insurance up to 12 months), reversion, or approved educational leave (LTD for a maximum of 24 months).
- **PEBB-sponsored retiree coverage** – Retired or permanently disabled employees of state government, higher education, K-12 school districts, educational service districts, and participating employer groups are eligible for coverage by PEBB plans on a self-pay basis

Procedure

When a qualifying event occurs (i.e., termination), update the insurance system immediately (within 30 days of the qualifying event).

The PEBB Program will notify enrollees of their Continuation of Coverage options.

COBRA

COBRA is a temporary continuation of PEBB medical and/or dental coverage that may be available if certain circumstances occur that would otherwise end health coverage for the employee and their family.

COBRA coverage may be available for the:

Employee

- If employment ends for any reason other than gross misconduct
- If hours of employment are reduced
- If appealing a dismissal

Spouse

- If the employee dies
- If the employee's hours are reduced
- If the employee's employment ends for any reason other than gross misconduct
- If there is a divorce or legal separation

Dependent Children

- If the parent (employee) dies
- If the parent's (employee) hours are reduced
- If the parent's (employee) employment ends for any reason other than gross misconduct
- If eligibility as a dependent ends

Each person who will lose coverage will have an independent right to elect COBRA. Each person has the option of electing dental coverage only, medical coverage only, or both medical and dental coverage.

The event that triggers the eligibility for COBRA also triggers a special open enrollment, giving the employee and their dependents the opportunity to change plans when enrolling in COBRA. All family members that enroll in COBRA must enroll in the same plan.

The employee and dependents have **60 days** after the date (postmark) the Continuation of Coverage Election Notice is provided to elect COBRA.

COBRA coverage is on a self-pay basis.

Examples of Qualifying Events include:

COBRA Qualifying Event	Qualified Benefits	Maximum Length of COBRA Coverage
Employees' hours are reduced to the extent of losing eligibility*	Employee and covered dependents	Up to 18 months
Employee terminates employment for reasons other than gross misconduct*	Employee and covered dependents	Up to 18 months
Death of Employee**	Covered dependents	Up to 36 months
Divorce or legal separation from employee	Covered dependents	Up to 36 months
Child is no longer eligible	Covered child	Up to 36 months

**The employee and all qualified dependents may be entitled to receive up to 11 months of additional continuation of coverage, for a total of 29 months, if the Social Security Administration determines the employee or a qualified dependent is disabled. See the Continuation of Coverage Election Notice booklet for details.*

***In the event of the employee's death, surviving dependents may be eligible to continue coverage under a retiree plan. The dependent should contact the PEBB Program for more information.*

Note: *The employee, spouse, or dependents have a responsibility under COBRA to provide notice within 60 days after a qualifying event occurs. The employee or dependent must notify the PEBB Program or the employee's personnel, payroll, or benefits office.*

For additional information about the COBRA law and qualifying events, contact the PEBB Program at 1-800-200-1004. Refer to WAC 182-12-133 and 182-12-270.

PEBB Extension of Coverage

PEBB Extension of Coverage is an alternative created for PEBB enrollees who are not eligible for COBRA coverage under federal law. PEBB extension of coverage provides a temporary continuation of PEBB medical and/or dental coverage.

Eligible dependents enrolled in PEBB health benefits that are not a qualified beneficiary under federal law and have a qualifying event, are not eligible for COBRA. However, the dependent may be eligible to continue coverage under PEBB Extension of Coverage.

PEBB Extension of Coverage may be available for the:

Qualified Domestic Partner

- If the employee or retiree dies
- If the employee's hours of employment are reduced
- If the employee's employment ends for any reason other than gross misconduct
- If the domestic partnership is terminated

Children of a Qualified Domestic Partner

- If the employee or retiree dies
- If the employee's hours of employment are reduced
- If the employee's employment ends for any reason other than gross misconduct
- If the domestic partnership is terminated
- If eligibility as a dependent child of a qualified domestic partner ends

Retiree

- If the employee has retired and their employer group has terminated plan participation with PEBB
- If DRS determines the retiree is no longer disabled, so pension payments have stopped.

Each person who will lose coverage will have an independent right to elect PEBB Extension of Coverage. Each person has the option of electing dental coverage only, medical coverage only, or both medical and dental coverage.

The event that triggers the eligibility for PEBB Extension of Coverage also triggers a special open enrollment, giving the employee and their dependents the opportunity to change plans when enrolling in PEBB Extension of Coverage. All family members that enroll in PEBB Extension of Coverage must enroll in the same plan.

The employee and dependents have **60 days** after the date (postmark) the Continuation of Coverage Election Notice is provided to elect PEBB Extension of Coverage.

PEBB Extension of Coverage is on a self-pay basis.

Examples of Qualifying Events include:

PEBB Extension of Coverage Qualifying Event	Qualified Participants	Maximum Length of Coverage
Dissolution of a qualified domestic partnership	Qualified domestic partners and their dependents	Up to 36 months
Employees' hours are reduced to the extent of losing coverage	Qualified domestic partners and their dependents	Up to 18 months
Employee termination for any reason other than gross misconduct	Qualified domestic partners and their dependents	Up to 18 months
Qualified domestic partner's dependent child no longer eligible*	Qualified domestic partners and their dependents	Up to 36 months
Employee or retiree dies and dependents do not qualify for surviving dependent coverage**	Qualified domestic partners and their dependents	Up to 36 months
Employer group terminates PEBB plan participation	Retiree and their dependents	Up to 18 months
Retiree no longer considered disabled by DRS	Retiree and their dependents	Up to 18 months

* As defined in WAC 182-12-260 (3), (4), or (5)

** As defined in WAC 182-12-265

If the surviving qualified domestic partner meets eligibility requirements as outlined in WAC 182-12-260, they may apply for retiree insurance benefits. Application to enroll or waive coverage in PEBB retiree surviving dependent coverage must be made within 60 days of the date the employee died. Questions regarding qualifying events for extension of coverage should be directed to the PEBB Program at 1-800-200-1004.

***Note:** The employee, spouse, qualified domestic partner, or dependents also have a responsibility to provide notice to HCA within 60 days after a qualifying event occurs. Application for continuation of coverage must be made to HCA within 60 days of the date the retiree's or dependent's coverage would otherwise end.*

For additional information about PEBB Extension of Coverage and qualifying events, contact the PEBB Program at 1-800-200-1004.

Refer to WAC 182-12-270, and WAC 182-08-180.

Leave Without Pay (LWOP) and Military Leave

Leave without Pay (LWOP) is a temporary absence from the job in a non-pay status that, in most cases, is granted upon request of the employee.

LWOP coverage is a temporary continuation of PEBB medical, dental, and life insurance coverage that may be available to employees and their family on a self pay basis if the:

- Employee is on authorized leave without pay
- Employee is laid off due to a reduction in force (RIF)
- Employee is receiving time-loss benefits under worker's compensation
- Employee is applying for disability retirement
- Employee is called to active military duty (may also continue life insurance for up to 12 months)
- Employee is on approved educational leave (may also continue LTD for a maximum of 24 months)
- Employee is a part-time faculty member between periods of eligibility
- Employee has reverted to a position that is not eligible for employer-sponsored benefits
- Employee is awaiting a hearing for a dismissal action
- Employee is a seasonal employee, and is between seasons of employment

The employee may elect to continue medical only, dental only, or both medical and dental coverage, and life insurance. If the employee is on approved educational leave LTD may also be continued for up to 24 months.

The event that triggers the eligibility for LWOP also triggers a special open enrollment, giving the employee the opportunity to change plans when enrolling in LWOP coverage.

The employee and dependents have 60 days after the date the Continuation of Coverage Election Notice is provided to enroll.

Employees may self-pay the group premium rate for up to 29 months, part-time faculty for up to 18 months. Refer to WAC 182-12-133 and WAC 182-12-141.

Under PEBB rules, employees awaiting a hearing for a dismissal action are eligible to continue insurance coverage on a self-pay basis under the same terms as an employee under LWOP coverage or to midnight, the end of the month in which a decision has been made. Refer to WAC 182-12-148.

Examples of Qualifying Events include:

LWOP Qualifying Event	Qualified Participants	Maximum Length of Coverage
Authorized LWOP	Employee and eligible dependents	29 months 18 months for part-time faculty
Reduction in force (RIF)	Employees and eligible dependents	29 months 18 months for part-time faculty
Receiving time-loss benefits under worker's compensation	Employee and eligible dependents	29 months 18 months for part-time faculty
Application for disability retirement	Employee and eligible dependents	29 months 18 months for part-time faculty
Active military duty	Employee and eligible dependents	29 months medical/dental 12 months for life insurance
Approved educational leave	Employees and eligible dependents	29 months medical/dental/life 24 months LTD 18 months part-time faculty
Employees awaiting a hearing for a dismissal action	Employees and eligible dependents	Midnight, the end of the month the decision is made

Refer to WAC 182-12-133 and WAC 182-12-138.

Reporting Eligibility Status when the Employee is on Self-Pay

Notify the PEBB Program immediately if the employee:

- Returns to work in an eligible position
- Terminates or resigns
- Files for disability retirement; or
- Receives final decision on an appeal

Procedure

1. Contact the PEBB Program at 1-800-200-1004 to terminate the employee's self-pay coverage on the last day of the month prior to the return-to-work date. HCA will reimburse the employee any overpayment of self-pay premiums.
2. Re-enroll the employee in the insurance system. The effective date would be the first of the month the employee returns to work.

Agencies that do not have access to the insurance system should forward the enrollment form to the PEBB Program for keying into the Pay1 system. PEBB coverage begins the first of the month in which the employee returns to work.

PEBB-Sponsored Retiree Coverage

PEBB-sponsored retiree coverage is available to:

- Retired or permanently disabled employees of state government, higher education, K-12 school districts, educational service districts, and participating employer groups
- Appointed and elected officials who leave public office whether or not they receive a retirement benefit from a state retirement system
- The surviving spouse, qualified domestic partner, or dependent children of a deceased eligible employee or retiree eligible for PEBB-sponsored retiree coverage. Refer to WAC 182-12-265
- The surviving spouse or dependent children of an emergency service employee killed in the line of duty and eligible for PEBB-sponsored retiree coverage. Refer to WAC 182-12-250

Each qualified dependent has a separate right to enroll in or defer the retiree coverage. Retiree coverage is medical only or medical and dental coverage, there is no dental only option.

Enrollees may change their plan when they enroll in retiree coverage. If eligible dependents are enrolling, they must be covered under the same medical and dental plans with the exceptions specified for Medicare Supplement Plans E or J.

Retirees and permanently disabled employees of employer groups who discontinue participation with PEBB may be eligible for PEBB extension of coverage on a self-pay basis for up to 18 months.

PEBB Coverage after Retirement

Upon application for retirement, the Department of Retirement Systems or the higher-education benefits office will furnish the employee with a retiree packet containing insurance and premium information. (Retiree packets may be ordered online.) To continue PEBB medical/dental and life insurance coverage (if applicable) as a retiree, the employee will need to fill out and return a *Retiree Coverage Election* form, found in the *Retiree Enrollment Guide*. Applications must be sent to the PEBB Program within 60 days following the date active employment or COBRA ends. The PEBB Program will verify eligibility and enroll the retiree.

Surviving dependents will be sent a Continuation of Coverage Election Notice upon notification of the employee's or retiree's death. Dependents have 60 days from the death of the employee to enroll in or defer coverage.

Appointed and elected officials who leave office have 60 days from the end of their term to enroll in or defer retiree coverage.

An employee applying for disability retirement should be directed to the PEBB Program at 1-800-200-1004 for questions about continuation of benefits.

Retiree packets can be ordered or printed from the PERS/PAY website. For questions on continuation of coverage options for retirees, contact the PEBB Program at 1-800-200-1004.

For answers to the questions most often asked by a retiring employee, please refer to the "Questions and Answers" section in the *Retiree Enrollment Guide*. Further questions may be directed to the PEBB Program at 1-800-200-1004.

Examples of Qualifying Events Include:

PEBB-Sponsored Retiree Coverage Qualifying Event	Qualified Participants	Maximum Length of Coverage
Employee retires from: <ul style="list-style-type: none"> • state agency • K-12 school district or ESD • public higher-education institution • PEBB employer group 	Retirees and eligible dependents	Retiree and surviving spouse or qualified domestic partner – Indefinitely as long as premiums are paid in full Dependents – Coverage ends the last day of the month they cease to be eligible under PEBB rules
Permanently disabled employee of: <ul style="list-style-type: none"> • state agency • K-12 school district or ESD • public higher-education institution • PEBB employer group 	Retirees and eligible dependents	
Surviving dependents* from: <ul style="list-style-type: none"> • state agency • K-12 school district or ESD • public higher-education institution • PEBB employer group 	Surviving spouse or qualified domestic partner and surviving eligible dependents	

*Surviving dependents must meet the eligibility requirements as stated in WAC 182-12-265.