

## **HEALTH CARE BENEFIT CONTINUATION**

In 1986, Congress passed the Consolidated Omnibus Budget Reconciliation Act (COBRA). This law gives employees and their eligible dependents the right to continue medical and dental coverage on a self-pay basis under certain circumstances. An employee is provided the opportunity to continue benefits by self-paying when the following events occur: resignation, termination, layoff, loss of coverage (due to divorce, and eligibility), and reduction in hours causing a loss of benefits. When such an event occurs, the Benefits Division will send a notification letter to the employee. Individuals entitled to Medicare or any other group health plan are not eligible for continuation of coverage. Also termination due to gross misconduct disqualifies employees and their eligible dependents for this continuation provision.

An employee is given a period of sixty (60) days from the date the qualifying event occurred to elect to continue benefit coverage. Written confirmation is necessary to continue coverage. The first payment is required within forty-five (45) days from the date the COBRA election form is submitted to the Benefits Division. Subsequent payments must be made by the 15th of each month. The Benefits Division does not bill individuals for these payments. Individuals must mail payments on a monthly basis to the Benefits Division, 2051 Kaen Rd Ste. 310, Oregon City, Oregon 97045. An employee may self-pay for a period of up to eighteen (18) months for the employee and thirty-six (36) months for dependents. An extended period of coverage may be provided to specific individuals in the event of a permanent and total disability as determined by the Social Security administration. The cost of continuing health care benefits is relative to the actual cost of the coverage and your family status plus a two percent administration fee.

Participants are notified of any benefit changes as they occur. Employees may elect to change their benefit coverage during the County's normal open enrollment period.

In instances where eligibility for benefit continuation is initiated by an event outside of a change in employment status, (i.e. a dependent child becomes ineligible for County paid benefits due to age), it is important that the employee immediately notify the Benefits Division of the status change so that the appropriate notification is mailed.

### **SUPERVISORS**

It is important that a Personnel Action form is promptly submitted to the Department of Employee Services whenever an employee's status changes. By law the County must notify potential COBRA participants within fourteen (14) days of the qualifying event. The receipt of the Personnel Action form is necessary in order to generate the COBRA letter. The County can be penalized for noncompliance.

### **INTERNET LINKS**

County Ordinance (<http://www.co.clackamas.or.us/about/code/Title2.pdf>)