

Procedure Title: Continuation Coverage Health Benefits
Procedure Number: 03-2005-0004
Board Policy Reference: IV.B. Human Resources Direction
NWCCU Standard:

Accountable Administrator: President
Position responsible for updating: Chief Human Resources Officer
Original Date: 12-16-05
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Purpose/Principle/Definitions:

In keeping with federal and state legislation, the College will extend the benefit of "continuation coverage" health insurance to all employees eligible under the law.

The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1986 provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. This coverage, however, is only available when coverage is lost due to certain specific events.

COBRA establishes specific criteria for plans, qualified beneficiaries, and qualifying events:

Plan Coverage - Group health plans for employers with 20 or more employees on more than 50 percent of its typical business days in the previous calendar year are subject to COBRA. Both full and part-time employees are counted to determine whether a plan is subject to COBRA. Each part-time employee counts as a fraction of an employee, with the fraction equal to the number of hours that the part-time employee worked divided by the hours an employee must work to be considered full time.

Qualified Beneficiaries - A qualified beneficiary generally is an individual covered by a group health plan on the day before a qualifying event who is either an employee, the employee's spouse, or an employee's dependent child. In certain cases, a retired employee, the retired employee's spouse, and the retired employee's dependent children may be qualified beneficiaries. In addition, any child born to or placed for adoption with a covered employee during the period of COBRA coverage is considered a qualified beneficiary. Agents, independent contractors, and directors who participate in the group health plan may also be qualified beneficiaries.

Qualifying Events - Qualifying events are certain events that would cause an individual to lose health coverage. The type of qualifying event will determine who the qualified beneficiaries are and the amount of time that a plan must offer the health coverage to them under COBRA. A plan, at its discretion, may provide longer periods of continuation coverage.

Coverage under this policy shall be identical to that provided to all other members of the employees' group plan.

Upon termination of employment due to reduction of hours, voluntary or involuntary termination for reasons other than gross misconduct, the College will notify Oregon Educators Benefit Board (OEBB) within 30 days of the qualifying event. OEBB will in turn notify Benefit Health Solutions (BHS), a third party provider for COBRA benefits. BHS must send an election notice not later than 14 days after receiving notice that a qualifying event has occurred. The individual then has 60 days to decide whether to elect COBRA continuation coverage.

If an employee's qualifying event was involuntary termination of employment that occurred on or after September 1, 2008 through February 16, 2009, the employee may be eligible for an additional election opportunity under American Recovery and Reinvestment Act of 2009 (ARRA).

Individuals who are eligible for COBRA coverage because of their own or a family member's involuntary termination from employment that occurred from September 1, 2008 through December 31, 2009 and who elect COBRA, may be eligible to pay a reduced premium. Eligible individuals pay only 35% of the full COBRA premiums under their plans for up to 9 months. This premium reduction is generally available for continuation coverage under the Federal COBRA provisions, as well as for group health insurance coverage under state continuation coverage laws.

Legal References:

ORS 341.290(1)

ORS 743.600

OAR 111

Consolidated Omnibus Budget Reconciliation Act of 1985, P.L. 99-272, Title X, Section 10003, 100 Stat. 232.

Tax Reform act of 1986, 29 U.S.C. sections 1001-1461.

Tanner v. Oregon Health Sciences University, 157 Or App 502 (1998).

American Recovery and Reinvestment Act of 2009