

Continuation of Health Coverage under COBRA

Plan Year 2024

UNIVERSITY
OF
CALIFORNIA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal law requiring large employers to offer employees, their spouses and dependent children an opportunity to continue employer-sponsored health coverage following termination of employment or other events that result in loss of eligibility. UC offers COBRA rights to domestic partners as well. COBRA allows you to extend your UC health care benefits for a limited time by paying the full cost of the premium.

There may be more cost-effective options available for you and your family than COBRA continuation coverage. These options include the Health Insurance Marketplace, Medicaid (called Medi-Cal in California), or other group health plans like a spouse's plan. Please note, loss of your UC coverage may create a "Special Enrollment Period" for you to enroll in these other types of coverage; however, you cannot change from COBRA to a Marketplace or group health plan until the next Open Enrollment period, your COBRA coverage runs out, or you qualify for a Special Enrollment Period another way.

You can access the California Health Insurance Marketplace, Covered California, at www.coveredca.com.

You can access another state's Health Insurance Marketplace at www.HealthCare.gov.

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How COBRA Works

When you're hired, UC provides an initial general notice that informs you, your spouse, and any dependent children of the availability of continuation coverage if you and your family members become eligible. The notice will be sent by WEX Health, UC's COBRA program administrator, and provides additional information on COBRA, including your rights and obligations under the law.

To be a "qualified beneficiary" eligible for continuation of coverage under the COBRA law, you must be an individual enrolled in a UC group health plan on the day before you experienced a "qualifying event" that results in a "loss of coverage."

WHAT IS A QUALIFYING EVENT?

For the employee:

- Your employment ends for any reason other than gross misconduct, including retirement separation or permanent layoff.
- Your hours of employment are reduced, including leave of absence, short work break, and temporary layoff, or your position appointment is changed, resulting in the loss of benefits eligibility.

For the spouse, domestic partner, and dependent children of the employee:

- The employee loses employment for any reason other than gross misconduct, including retirement separation.
- The employee experiences a reduction in work hours or change in appointment resulting in the loss of health care coverage.
- The employee enrolls in Medicare (Part A, Part B, or both).*
- Divorce, legal separation, annulment of marriage or termination of domestic partnership. Note: You must notify UC – see below.
- Death of the employee.
- Dependent child turns 26 years old or legal ward reaches the age of majority of 18 years old.

**If you are still working and enrolled in a UC-sponsored health insurance, you may delay enrollment in Medicare B. You may qualify for a "Special Enrollment Period" (SEP) that will let you sign up for Part B when you retire or terminate employment.*

YOU ARE REQUIRED TO PROVIDE NOTICE FOR CERTAIN QUALIFYING EVENTS

You must notify the University of California within 60 days of experiencing divorce, legal separation, annulment or termination of domestic partnership. You can notify UC within 60 days of the event by disenrolling your family members from benefits through your [online UCPath account](#) to request a COBRA application packet. Please note, you may not keep your ineligible family member on your UC plans.

For all other qualifying events, you do not need to take action; you will automatically receive a COBRA packet in the mail if you qualify for COBRA continuation coverage.

WHAT IS LOSS OF COVERAGE?

Loss of coverage means to cease to be covered under the same terms and conditions as in effect prior to the qualifying event. Loss of coverage includes the following:

- Termination of coverage.
- Loss of the UC employer contribution, such as while on "direct bill" status.

Example: If John Doe is on an unpaid leave of absence (LOA), is enrolled in direct billing, and is paying the full premium for the dental and vision plans, but only paying the employee portion for the medical plan, then only the dental and vision plans are subject to COBRA continuation. The medical plan is not subject to COBRA continuation because there is no "loss of coverage."

- Reduction in benefits level, for example, when a reduction in time moves an employee from Full to Core benefits.

WHO IS A QUALIFIED BENEFICIARY?

After a qualifying event that results in loss of coverage, COBRA continuation coverage must be offered to each person who is a "qualified beneficiary." You, your spouse/eligible domestic partner, and your dependent children who are enrolled in eligible plan(s) become qualified beneficiaries if coverage under the plan(s) is lost due to the qualifying event.

When UC is notified of a qualifying event, COBRA continuation coverage will be offered to each qualified beneficiary. Each qualified beneficiary has the right to choose COBRA continuation coverage. Your spouse, domestic partner or child could elect to enroll in COBRA without you, the employee, remaining on the plan.

If you do not continue coverage under COBRA, you may not keep your ineligible family members on your UC plans following loss of coverage. Failure to remove ineligible family members will result in your liability for any UC costs and plan expenses incurred by ineligible family members.

WHAT PLANS ARE ELIGIBLE FOR COBRA CONTINUATION?

Qualified beneficiaries may continue coverage under COBRA in the following UC health plans:

- Any medical plan
- Dental PPO and HMO
- Vision
- Health Flexible Spending Account (Health FSA)¹
- Employee Assistance Program (EAP)

How to Enroll

WEX Health is UC's COBRA administrator. If an individual loses coverage due to a qualifying event, WEX Health will send them a COBRA election packet in the mail which includes the "COBRA Specific Rights Notice Letter."

Instructions for electing COBRA continuation coverage are provided in the COBRA packet.

COBRA allows you and your eligible family members to maintain the same health benefits as enrolled in at the time of the qualifying event. You can decide whether to continue each plan individually, such as opting to continue medical coverage while declining dental and vision plans.

The qualified beneficiary has 60 days from their first day of COBRA eligibility or the date their COBRA Specific Rights Notice was mailed, whichever is later, to make their initial COBRA elections. **Failure to make an election within the 60-day window will result in qualified beneficiaries losing their right to continue health coverage through COBRA.**

COST OF COVERAGE UNDER COBRA

The qualified beneficiary is responsible for paying the full plan premium (UC's share and the employee's share) plus a 2% administrative fee.² Please note that all plan rates are determined annually and subject to change on an annual basis.

¹ You may not continue participation in the Dependent Care FSA through COBRA.

² During a disability extension period, premiums may increase from 102% to 150%.

³ Not making timely COBRA payments does not constitute a qualifying event. For instance, if your COBRA coverage is terminated due to missed payments,

See current [COBRA Rates](#).

Your first payment is due no later than **45 days** after the date of your election. You may contact WEX Health to confirm the correct premiums and plans elected. Please note, you are responsible to ensure that the amount of your first payment is correct.

Your ongoing monthly payment is due on the first day of the month for that month's coverage period.

You have a 30-day grace period after the start of each coverage month to make your payment. If you miss making a monthly payment before the end of the grace period, you will forfeit all rights to COBRA continuation coverage under the plan.³ It is important to note that the grace period does not apply to the first payment.

WHEN COVERAGE BEGINS

If you enroll within the 60-day window, your COBRA continuation coverage begins on the day immediately following the loss of UC-sponsored employee health coverage due to a qualifying event.

Example: If your last day of employment with UC is July 2nd, your employee health coverage will end on July 31st. Upon electing continued health coverage under COBRA, your benefits through COBRA will become effective August 1st.

LENGTH OF COBRA CONTINUATION COVERAGE

If elected, COBRA continuation coverage can last for the maximum continuation period outlined in the COBRA Specific Rights Notice.

Generally, COBRA continuation coverage is available for up to 18 months if the qualifying event is loss of employment or reduction in work hours.

If your dependent(s) lose coverage because you divorce, legally separate, get an annulment, end a domestic partnership or die, or because the dependent loses eligibility (for example, turns age 26), your dependent generally may continue coverage for up to 36 months.

COBRA CONTINUATION COVERAGE EXTENSION

You may be eligible for an extension of the maximum COBRA coverage period if you or any other qualified beneficiary qualifies for Cal-COBRA, becomes disabled or if a second qualifying event occurs.

you cannot use this as a qualifying event to enroll in your spouse's group health insurance or the Health Insurance Marketplace. In order to have a Special Enrollment Period, your COBRA maximum coverage period must be exhausted or another qualifying event must occur (such as starting a new job and becoming eligible for the employer's group health insurance). Otherwise, you must wait until the plan's open enrollment period to switch to a different plan.

Cal-COBRA Extension: California law offers an extension of COBRA, called Cal-COBRA, for fully-insured (UC Blue & Gold HMO or Kaiser Permanente) medical plans. Participants enrolled in the UC Blue & Gold HMO or Kaiser Permanente plans may qualify for an extension of benefits up to a total of 36 months. Please note that extension of coverage under Cal-COBRA is not available to individuals enrolled in UC's self-funded plans (CORE, UC Care, and the UC Health Savings Plan).

Social Security Disability Extension: If you or any other qualified beneficiary in your family was determined to be disabled by the Social Security Administration (SSA) and meets specific requirements, all qualified beneficiaries in that family are entitled to an 11-month extension, for a total maximum COBRA period of 29 months. Even if the disabled qualified beneficiary never elects COBRA or chooses to terminate coverage early, all other qualified beneficiaries in that family who remain eligible for coverage still qualify for the extension.

The requirements are:

- The original qualifying event must be termination of employment or reduction of hours.
- The date of disability (e.g. the date the qualified beneficiary became disabled) as determined by the SSA must be during the first 60 days of COBRA or any time prior.
- The qualified beneficiary must notify WEX of their disability before the end of the original 18-month COBRA continuation period, even if COBRA ends earlier than the dates listed below.
- The qualified beneficiary must notify WEX of their disability within 60 days of the following, whichever is latest:
 - Date of Notice of Award Letter from SSA
 - Date of Qualifying Event
 - Date qualified beneficiary lost coverage due to qualifying event (e.g. first day of COBRA)
 - Date of Specific Rights Notice

To apply, you must submit to WEX Health a completed COBRA Social Security Disability Extension (SSDE) Form along with a copy of your Notice of Award letter from the SSA.

Second Qualifying Events: A second qualifying event may include your death, divorce or legal separation, or a dependent child ceasing to be eligible for coverage under the plan's definition of a dependent child (e.g., turning 26 years old). In this case, the COBRA eligibility period may be extended an additional 18 months, for a total maximum COBRA period of 36 months.

You must notify WEX Health of the second qualifying event within 60 days of the event.

CHANGES TO YOUR HEALTH PLANS

When you elect COBRA continuation coverage, you will continue to receive the same health benefits you had as an active, benefits-eligible UC employee. Termination of coverage does not trigger an opportunity to change health plans when you elect continuation coverage, with one exception: If you lose coverage due to layoff or reduction in time, you may change to the CORE medical plan if you so choose. In all other situations, you will need to wait until Open Enrollment to make changes to your plans or covered family members.

In the event of a qualifying life event such as birth, adoption, or marriage, you will be given an opportunity to enroll newly eligible dependents. Contact WEX Health to add newly eligible family members for the remainder of your COBRA maximum coverage period.

EARLY TERMINATION

Your COBRA continuation coverage will terminate before the end date of the maximum continuation period stated in the Specific Rights Notice if:

- The full premium is not paid on time.
- The qualified beneficiary becomes covered under another group health plan.
- The qualified beneficiary becomes entitled to Medicare benefits (Medicare Part A, B, or both) after electing COBRA continuation coverage.
- During a disability extension, the Social Security Administration determines that the qualified beneficiary is no longer disabled.⁴
- The University of California ceases to provide any group health plan for its employees.

LEAVE OF ABSENCE AND COBRA

The type of leave you take determines whether you can continue active employee health coverage or whether you will need to consider COBRA continuation coverage or other options.

The Family and Medical Leave Act (FMLA) mandates that employees on Family Medical Leave (FML) maintain their coverage in any group health plan under the same terms and conditions as if they had not taken leave. Therefore, employees on unpaid FML have the option to maintain benefits coverage and pay the employee share of premiums through Direct Billing with UCPath.

Employees on unpaid leaves that are not protected by FMLA may be required to pay full premium (UC's share and the employee's share) for medical, dental and vision coverage through Direct Billing.

⁴ It is the qualified beneficiary's responsibility to inform WEX Health if they are deemed no longer disabled.

For inquiries about Direct Billing, please contact UCPath at 1-855-982-7284. Please note, taking a FML is not a COBRA qualifying event, but taking an unpaid leave during which you are required to pay full premium may trigger COBRA eligibility. Furthermore, coverage termination due to failure to remit payment timely during Direct Billing is not a COBRA qualifying event. For more information about FML and leave without pay, see:

[Family and Medical Leave Fact Sheet](#)

[Leave Without Pay Fact Sheet](#)

RETIREMENT

Retirement is a COBRA qualifying event. When you retire from the University of California, you will receive a COBRA election packet in the mail.

If you are eligible for UC retiree health coverage or begin receiving disability income under University of California Retirement Plan (UCRP), you may not need COBRA. If you are eligible to continue your UC coverage under the retiree health program, or do not otherwise need COBRA continuation coverage, you may disregard the COBRA notice.

However, if your employee health benefits will end in the time between your separation date and either your retirement date or the date UCRP disability income is approved, you may need to continue coverage through COBRA in order to maintain eligibility for retiree health benefits. You must have continuous coverage to be eligible for retiree health benefits. Please consult with the Retirement Administration Service Center (RASC) for guidance regarding your individual situation.

If you are ineligible for UC retiree health coverage and/or you elect a UCRP Lump Sum Cashout, you may maintain UC's health plans through COBRA.

After you retire and become eligible for Medicare, you must apply for Medicare to avoid a late enrollment penalty. Even if you are covered by COBRA, failure to enroll in Medicare will result in the late enrollment penalty. This is because COBRA coverage is not considered "coverage due to current employment," which means you won't qualify for a Medicare Special Enrollment Period (SEP) for Part B enrollment when your COBRA coverage ends.

However, coverage under COBRA may be regarded as creditable coverage for Medicare Part D purposes. If an individual has prescription drug coverage through a COBRA plan classified as "creditable," they have a SEP to enroll in a Part D plan after COBRA coverage ends. All of UC's non-Medicare medical plans are deemed creditable for Part D.

COBRA ENROLLMENT PRIOR TO MEDICARE

If you become eligible for Medicare after you enroll in COBRA, your medical plan through COBRA must terminate as soon as you are notified by the Social Security Administration that you have been approved for Medicare benefits. You will receive a Medicare Notice in the mail by WEX Health prior to turning 65 with instructions on how you can terminate your COBRA medical coverage. Please note, you can continue dental and vision coverages under COBRA.

If you have any dependents who are qualified beneficiaries, they may continue to participate in the same group health plan(s) through COBRA. Dependents may continue coverage through COBRA for the remainder of their original coverage period (up to a total of 18 months).

MEDICARE ENROLLMENT PRIOR TO COBRA

If your Medicare benefits were effective prior to your COBRA election date (retirement date), you may continue both Medicare and your COBRA continuation coverage. In this case, Medicare becomes your primary insurance, and the medical plan being continued through COBRA serves as a secondary insurance.

If you have any dependents who are qualified beneficiaries, they are given an extension of COBRA so that they have a total of 36 months of coverage dating back to the Medicare entitlement date.

Example: You become entitled to Medicare effective 01/01/2024 and then retire effective 11/30/2024. You, your spouse, and your children remain on the group health plan until the COBRA qualifying event of retirement. You are not eligible for UC retiree health benefits after retirement.

In this scenario, you are offered 18 months of COBRA starting 12/01/2024. Your spouse and children are offered 25 months of COBRA starting on 12/1/2024, providing them with a total of 36 months of coverage from your Medicare entitlement date.

While your maximum COBRA continuation coverage is through 05/31/2026 (18 months from 12/1/2024), your spouse and children can continue their health coverage through 12/31/2026 (36 months from 01/01/2024).

WEX Health Contact Information

WEX Health
PO Box 2079
Omaha, NE 68103-2079

1-844-561-1338

<https://customer.wexinc.com/login/>

You are required to send the COBRA enrollment form and premiums directly to WEX Health. WEX Health will report eligibility and premiums to your health plan carrier(s).

Important Information

- [Notice to Terminating Employees - Health Insurance Premium Payment \(HIPP\) Program](#)
- [For Persons Disabled by HIV/AIDS CARE/HIPP Program](#)
- [FAQs on COBRA Continuation Health Coverage for Workers](#)
- [Federal COBRA and Cal-COBRA](#)
- [Medi-Cal Resources](#)
- The Health Insurance Marketplace Contact Information
[Covered California](#)
1-877-752-4737
[Health Insurance Marketplace \(outside of CA\)](#)
1-800-318-2596

Your COBRA Specific Rights Notice letter will include the above information.

Other Important Things to Know About COBRA

ADDRESS CHANGES

It is important that you keep WEX Health informed of any changes in your address, as it may affect your medical plan service area. In addition, you might miss important plan information if WEX Health has an incorrect address.

OTHER PLANS

For information about continuing coverage in plans that are not eligible for COBRA, please see the [Termination of Employment Benefits fact sheet](#).

HOW TO APPEAL A CLAIM

If you would like to make an appeal, a written explanation should be mailed along with any supporting documentation to:

WEX Health, Inc.
Attention: Appeals
P.O. Box 869
Fargo, ND 58107-0869

This booklet explains the plan provisions and the policies and rules that govern COBRA. If a conflict exists between this booklet and the UC Group Insurance Regulations, the Group Insurance Regulations govern. The Plan Administrator has the authority to interpret disputed provisions.

By authority of the Regents, University of California Human Resources, located in Oakland, administers all benefit plans in accordance with applicable plan documents and regulations, custodial agreements, University of California Group Insurance Regulations, group insurance contracts, and state and federal laws. No person is authorized to provide benefits information not contained in these source documents, and information not contained in these source documents cannot be relied upon as having been authorized by the Regents. Source documents are available for inspection upon request (800-888-8267). What is written here does not constitute a guarantee of plan coverage or benefits—particular rules and eligibility requirements must be met before benefits can be received. The University of California intends to continue the benefits described here indefinitely; however, the benefits of all employees, retirees, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums, employer contributions and monthly costs at any time. Health and welfare benefits are not accrued or vested benefit entitlements. UC's contribution toward the monthly cost of the coverage is determined by UC and may change or stop altogether, and may be affected by the state of California's annual budget appropriation. If you belong to an exclusively represented bargaining unit, some of your benefits may differ from the ones described here. For more information, employees should contact their Human Resources Office and retirees should call the Retirement Administration Service Center (800-888-8267).

In conformance with applicable law and University policy, the University is an affirmative action/equal opportunity employer. Please send inquiries regarding the University's affirmative action and equal opportunity policies for staff to Systemwide AA/EEO Policy Coordinator, University of California, Office of the President, 1111 Franklin Street, Oakland, CA 94607, and for faculty to the Office of Academic Personnel and Programs, University of California, Office of the President, 1111 Franklin Street, Oakland, CA 94607.



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