



COUNTY OF DANE

DEPARTMENT OF ADMINISTRATION

EMPLOYEE RELATIONS DIVISION

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HEALTH CARE BENEFIT – CONTINUATION COVERAGE

****VERY IMPORTANT NOTICE****

A Federal law was enacted on April 7, 1986 (Public Law 99-272, Title X) requiring employers to offer employees and their families the opportunity for a temporary extension of existing health insurance coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end.

This new law also requires us to notify newly hired employees and their spouses, who are covered under group health care plans, of their new rights. This notice is intended to comply with that notification requirement. All Dane County employees and their spouses are asked to read this notice carefully.

The new law does not affect any existing benefits. It only creates additional rights to keep coverage in effect if something should happen that would cause you to lose your coverage.

The chart below lists the circumstances in which you, your spouse, or dependent children will be eligible to elect self-pay continuation coverage.

<u>Qualifying Event</u>	<u>Qualified Beneficiary</u>	<u>Self-Pay Period</u>
Death of covered employee	Spouse and dependent Children if covered under plan	36 months after date of qualifying event.
Reduction in covered employee's hour's	Employee, spouse and dependent children if covered under plan	18 months after date of qualifying event
Termination of covered employee's employment except for employee's gross misconduct	Employee, spouse and dependent children if covered under plan	18 months after date of qualifying event
Divorce or legal separation of covered employee	Spouse and dependent children if covered under plan	36 months after date of qualifying event
Covered employee's Entitlement to Medicare	Spouse and dependent children if covered under plan	36 months after date of qualifying event
Dependent child's loss of that under plan provision	Affected dependent child if covered under plan	36 months after date of status qualifying event

(over)

A **Qualifying Event** is an event which could normally cause loss of coverage, a **qualified beneficiary** is a person eligible for continuation coverage, and the **Self-Pay Period** is the period of time a qualified beneficiary may continue group coverage by paying the applicable premiums.

When the qualifying event is divorce, legal separation or loss of dependency status **it is the affected person's responsibility** to notify the county that a qualifying event has occurred. The county will be unable to notify people of their continuation coverage rights unless it receives a timely notice. If you anticipate a divorce or legal separation, or if you have a child who is about to lose his or her dependency status under the plan, a smooth transition to continuation coverage can be accomplished if advance notice is given.

If the qualifying event is one of the following – (1) the employee's death, (2) the termination of employment or reduction in hours of the county employee or (3) the county employee's eligibility for benefits under Title XVIII of the Social Security Act – then the plan administrator will notify, within 14 days, all persons who are about to lose coverage of the right to elect continuation coverage.

After you receive a notice of your right to elect continuation coverage, you will have 60 days to notify the county that you choose to continue your coverage. At that time, if you do not choose continuation coverage, your coverage will end.

You will not have to show that you are insurable to choose continuation coverage. However, you will have to pay the applicable premium for continuation coverage. The new law also provides that at the end of the continuation coverage period, you have the right to enroll in an individual conversion health plan, if any is available under the plan that covers you.

The new law also provides that continuation coverage may be terminated for any of the following five reasons:

- (1) The employer no longer offers group health coverage to any of its employees;
- (2) The premium for the affected person's continuation coverage is not paid;
- (3) The affected person becomes an employee covered under another group health plan;
- (4) The affected person becomes eligible for benefits under Title XVIII of the Social Security Act;
- (5) The former spouse of a covered employee subsequently remarries and is covered under the new spouse's group health plan.

This new law applies to Dane County Employee Health Care Benefit Plans beginning on January 1, 1987. If you have any questions about it, please contact the Dane County Employee Relation's Office, Room 418 City-County Building, 210 Martin Luther King Jr. Blvd., Madison, WI 53703, (608)266-4081. Also, if your address has changed from that which is on file, please notify us of your new address.