

THE UNIVERSITY OF TEXAS SYSTEM CONTINUATION COVERAGE NOTICE

9/1/08

Important: Read and Share This Notice with Family Members

Public Law 99-272, Title XXII requires that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in summary fashion, of your rights and obligations under the continuation coverage provisions of the law. (Both you and your spouse should take the time to read this notice carefully.) The law became effective September 1, 1986, for employees of The University of Texas System and their families.

If you are an employee covered by the insured plan, you have the right to choose this continuation coverage if you will lose your coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part).

If you are the spouse or dependent child of an employee covered by the insured plan, you have the right to choose continuation coverage for yourself if you will lose your coverage under the insured plan or the HMO for any of the following five "qualifying events" or reasons specified in the law:

- * 1) The death of your spouse;
- 2) A termination of your spouse's employment (for reasons other than gross misconduct) or a reduction of your spouse's hours of employment provided said spouse applies for continuation coverage;
- 3) Divorce or legal separation from your spouse;
- *4) Your spouse becomes eligible for Medicare; or
- 5) The dependent ceases to be a "dependent child" under the insured plan.

The employee or a family member has the responsibility to inform the institution of a divorce, legal separation, or a child losing dependent status, and to request continuation coverage information. The employee has the responsibility to confirm to the institution a change in employment status and to request continuation coverage in the event of termination of employment or reduction in hours which results in loss of group coverage eligibility. If, as an employee, your employment is reduced to less than half-time, or terminated, you should request continuation coverage information.

The institution will in turn provide an application to you, your spouse, or your dependent to complete and submit to the insurance carrier. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above to inform the institution that you want continuation coverage. However, such continuation is not automatic, and claims will be denied if your application and premium have not been received by the insured plan prior to the date of your claim. You must act promptly.

If you choose continuation coverage, The University of Texas System will make available to each person covered under the group medical/dental plan on the day before the "qualifying event" coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The University of Texas System will provide continuation coverage for each person so covered. The law requires that you be afforded the opportunity to maintain continuation coverage for three years unless you lost group health coverage because of a termination of employment, or reduction in hours. In that case, the required continuation coverage period is 18 months,** unless gross misconduct was involved.

However, the law also provides that your continuation coverage may be cut short, or terminated for any of the following five reasons:

- 1) The University of Texas System no longer provides group health coverage to any of its employees;
- 2) The premium for your continuation coverage is not paid;
- 3) You become an employee covered under another group health plan
- *4) You become eligible for Medicare; or
- 5) You were divorced from a covered employee and subsequently remarry and are covered under your new spouse's group health plan.

You do not have to show that you are insurable (provide evidence of insurability) to choose continuation coverage. However, under the law, you will be responsible for paying all the premium for your continuation coverage. (The law also says that, at the end of the 18-month or 3-year continuation period, you may apply for an individual health plan provided by the insured plan or an HMO.)

* Since retirees and surviving dependents are permitted to retain group coverage under the existing University of Texas System policy, these qualifying events do not impact the availability of group coverage. These items are included for your information only, because the employer is required to provide notice of the law's provision to employees.

** Individuals who qualify as disabled for Social Security purposes may notify the plan administrator (within 60 days of determination by the Social Security Administration) of such disablement and extend the continued coverage from 18 to 29 months. The plan administrator may charge 150% of the active employee's premium for months 19 through 29. This provision would allow health coverage to be provided in the period between the end of the 18 months and the time that Medicare begins coverage for the disabled person at 20 months.

**COBRA CONTINUATION RATES (102%)
9/1/08 TO 8/31/09**

	EMP ONLY	EMP/SP	EMP/CH	EMP/FAM	SPSE ONLY	CHILD ONLY	SP/CHILD
UT Select Cobra	\$374.30	\$733.62	\$670.00	\$1,018.09	\$374.30	\$374.30	\$670.00
Delta Dental Cobra	\$28.83	\$54.72	\$60.32	\$85.77	\$28.83	\$28.83	\$60.32
Assurant Dental Cobra	\$10.25	\$19.48	\$21.53	\$30.75	\$10.25	\$10.25	\$21.53
Vision Cobra	\$7.51	\$11.71	\$11.97	\$19.28	\$7.51	\$7.51	\$11.97

**DISABILITY CONTINUATION RATES
9/1/08 TO 8/31/09**

	EMP ONLY	EMP/SP	EMP/CH	EMP/FAM
UT Select Cobra	\$550.44	\$1,078.86	\$985.29	\$1,497.20
Delta Dental Cobra	\$42.39	\$80.48	\$88.71	\$126.14
Assurant Dental Cobra	\$15.08	\$28.65	\$31.67	\$45.23
Vision Cobra	\$11.04	\$17.22	\$17.61	\$28.35

If you are eligible for continuation coverage and wish to apply for a temporary extension of your group medical/dental/vision insurance, continue Flex or elect to convert your life insurance or long term disability, you must contact the Office of Human Resources Management at 972-883-2221 or email benefits@utdallas.edu for the appropriate forms and rate information. COBRA is not automatic; you must contact Human Resources Management.