

3/8/2021

Dear Employee & Family:

**GENERAL NOTICE OF YOUR RIGHTS TO
GROUP HEALTH CONTINUATION COVERAGE UNDER COBRA**

**THERE HAS NOT BEEN A CHANGE IN YOUR STATUS WITH YOUR EMPLOYER.
THIS LETTER IS FOR YOUR INFORMATION ONLY. PLEASE RETAIN FOR FUTURE REFERENCE.**

This letter contains important information about your employee benefits plan(s). Please read the entire letter.

As the following notice explains, COBRA is an extension of certain group benefits should you or your covered dependents lose coverage at some point in the future. You are receiving this notice because you have recently become covered under one or more of the group health plans sponsored by your employer. University of New England has retained Group Dynamic, Inc. to provide assistance with their COBRA responsibilities. One of our tasks is to provide you with important information about your right to COBRA continuation of coverage under one or more of your employer's group health plans. This information is intended to educate you about your COBRA rights and obligations in the event that you or one of your dependents loses coverage under one or more the plans. For simplicity, the remainder of this notice will refer to the above plans collectively as the "Plan".

While no action or response is required unless you or your dependent(s) actually have a loss of coverage under the Plan, both you and your spouse (if applicable) should read the information carefully, and keep this notice with your records. If you experience a loss of coverage in the future, please refer to this overview for guidance about your rights and responsibilities.

This notice provides only a summary of your COBRA rights. For more information about your rights and obligations under the Plan and federal law, please contact the Plan Administrator (identified below) and/or refer to the Plan's Summary Plan Description. The Plan (as outlined below) offers no greater COBRA rights than what the COBRA statute requires, and this Notice should be construed accordingly. The Plan Administrator is:

University of New England
ATTN: Benefits Manager
11 Hills Beach Road
Biddeford, ME 04005
(207) 602-2394

You may have other options available to you when you lose group health coverage. You may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.



About the COBRA Law: COBRA refers to a Federal law which applies to most employers who sponsor group health insurance plans for their employees and dependents. For COBRA purposes, a group health plan includes any major medical plan, dental plan, vision plan, health FSA, HRA or any other employer sponsored group plan which provides medical care. The law requires that employees and certain dependents (spouse and dependent children) who lose coverage under a group health plan must be given the opportunity to continue coverage on a temporary basis. The maximum length of time coverage may be continued depends upon the reason coverage is lost. An employee, spouse and/or dependent child who loses coverage as a result of a qualifying event is called a "Qualified Beneficiary".

COBRA Qualifying Events: Listed below are "qualifying events" which result in the right to continue coverage under COBRA. Please note that the maximum period of time coverage can be continued depends on the type of qualifying event.

18 Month Maximum Continuation (experienced by a covered employee):

- 1.) Termination of Employment (for reasons other than "gross misconduct")
- 2.) Reduction of Work Hours

If you experience one of the events listed above, you and any other impacted Qualified Beneficiary will be notified of the right to elect continuation coverage.

Disability Extension to 29 months: This extension will apply when any Qualified Beneficiary is determined by the Social Security Administration to have been disabled at any time prior to the end of the first 60 days of COBRA coverage resulting from a termination of employment or reduction of work hours, and continues to be disabled at the end of the initial 18 month period of coverage. For the disability extension to apply, you must provide a copy of the SSA Determination of Disability letter within the 18 month COBRA period but no later than 60 days after the latest of: (1) the date of the SSA Determination of disability; (2) the date on which the qualifying event occurs; or (3) the date on which the Qualified Beneficiary loses coverage.

Second Qualifying Event Extension to 36 months: If a Qualified Beneficiary experiences a second qualifying event during the 18 or 29 month COBRA continuation period resulting from termination of employment or reduction of work hours, then the spouse and dependent children will qualify for an extension of COBRA continuation coverage of up to 36 months from the original qualifying event. A covered employee or Qualified Beneficiary must provide notice of the second qualifying event within 60 days of the event in order to qualify for the extension. Events eligible for the extension of coverage are those listed below (but only to the extent that they would have caused a loss of coverage under the Plan if it was the initial qualifying event):

36 Month Maximum Continuation (experienced by a coverage spouse or dependent child):

1. Death of an Employee
2. Divorce or Legal Separation
3. Dependent Child no longer meets the Plan's definition of a "dependent"

In addition, if you become entitled to Medicare and then experience a qualifying event or reduction in hours of employment within 18 months of the Medicare entitlement, the Qualified Beneficiary spouse and/or dependent children may elect to continue coverage for up to 36 months from the Medicare entitlement.

In considering whether to elect continuation coverage, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed on the previous page. You will also have the same special enrollment right at the end of the COBRA coverage if you maintain COBRA coverage for the maximum time available to you.

Enrolling in Medicare after group health plan coverage has ended: In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the initial enrollment period for Medicare Part A or B, you have an 8-month special enrollment period to sign up, beginning on the earlier of

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare Part B and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and then enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.



If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA will pay second. Certain COBRA continuation coverage plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit <https://www.medicare.gov/medicare-and-you>.

Your IMPORTANT Qualifying Event Notice Obligations: If your spouse or dependent child loses coverage under the Plan because of divorce, legal separation, or your child no longer meets the Plan's definition of "dependent", then you, your spouse or dependent child must notify University of New England of the loss. Written notice must be provided no later than 60 days after the event or the date coverage terminates, whichever is later. The notice can be mailed via first class mail. You may be required to provide additional information to support the qualifying event (e.g. a divorce decree, etc).

If University of New England is provided timely notice of the divorce, legal separation, or a child's loss of dependent status, we will notify the affected Qualified Beneficiaries of the right to elect continuation coverage. If University of New England is not provided notice of the divorce, legal separation, or a child's loss of dependent status during this 60 day period, COBRA continuation will not be offered. If any claims are mistakenly paid for expenses incurred after the divorce, legal separation, or a child's loss of dependent status, then you, your spouse and dependent children will be required to reimburse the Plan for any claims so paid.

If your spouse or dependent child loses coverage as a result of your death or your entitlement to Medicare, University of New England will automatically notify your spouse and dependent children of the right to elect continuation coverage.

Other Notification Requirements: In order to protect your family's rights, you should notify the Plan Administrator, University of New England, immediately when the name or address changes for you or any covered dependent. For your records, you should also keep a copy of any notices you send to the Plan Administrator.

Electing COBRA: Each Qualified Beneficiary will have an independent right to elect COBRA. Covered employees and spouses (if the spouse is a Qualified Beneficiary) may elect COBRA on behalf of all of the other Qualified Beneficiaries, and parents may elect COBRA on behalf of their covered minor children. If the covered employee's or Qualified beneficiary spouse's election doesn't specify whether the coverage is for self-only or not, it will be assumed that the election is for all Qualified Beneficiaries. Likewise, a Qualified Beneficiary may not decline coverage for any other Qualified Beneficiary other than the Qualified Beneficiary's minor children. Generally, you have 60 days from the later of the date of the notice or the date coverage is lost as a result of the qualifying event to elect coverage. The election notice and your SPD (if required by law) will have more information on your election rights and obligations. Any Qualified Beneficiary for whom COBRA is not elected within the 60-day election period will lose his or her right to elect COBRA coverage.

What coverage may be continued under COBRA? Generally, you may initially elect to continue the same coverage you had immediately preceding the Qualifying Event, subject to any changes made by the Employer that affect similarly situated non-COBRA beneficiaries. You may make changes to your COBRA coverage after your COBRA coverage begins on the same terms and conditions as similarly situated non-COBRA beneficiaries covered under the Plan. For example, you may add a new dependent (provided the new dependent is otherwise eligible) to your COBRA coverage if similarly situated non-COBRA beneficiaries are permitted to add a new dependent and you enroll the new dependent in accordance with the Plan's enrollment rules. Other than a child born to, adopted by, or placed for adoption with a covered Employee during the COBRA period, dependents added during the COBRA coverage period are not Qualified Beneficiaries.



Health FSA Information: COBRA coverage under the University of New England Health FSA will be offered only to Qualified Beneficiaries losing coverage who have underspent accounts. A Qualified Beneficiary has an underspent account if the annual limit elected by the covered employee, reduced by reimbursable claims submitted up to the time of the qualifying event, is equal to or more than the amount of the premium for the Health FSA COBRA coverage that would be charged for the remainder of the plan year. COBRA coverage will consist of the University of New England Health FSA coverage in force at the time of the qualifying event. The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and the COBRA coverage for the FSA plan will terminate at the end of the plan year. Unless otherwise elected, all qualified beneficiaries who were covered under the University of New England Health FSA will be covered together for Health FSA COBRA coverage. However, each qualified beneficiary could alternatively elect separate COBRA coverage to cover that beneficiary only with a separate Health FSA annual limit and a separate premium. If you are interested in this alternative, contact Group Dynamic, Inc. at (800) 626-3539 during business hours for more information.

Payment of Premiums for COBRA Coverage: COBRA allows the Employer to charge you 102% of the applicable premium. In addition, the Employer may charge 150% of the applicable premium during the disability extension period under certain circumstances. The first premium is due 45 days after you make your COBRA election. All subsequent premiums are due on the first day of each subsequent month; however, there is a 30 day grace period in which to make the premium before coverage is cancelled. Premium payment must be made payable to Group Dynamic, Inc. by check or money order and remitted to:

Group Dynamic, Inc. COBRA Administration
PO Box 2650
Omaha, NE 68103

Can Coverage End Prematurely? Coverage may end before the 18, 29, or 36 month period has expired upon the earliest of the following to occur:

1. You fail to pay a complete and timely premium;
2. You become covered under another group health plan, after electing COBRA coverage, under which you are not subject to the a pre-existing condition exclusion;
3. You become entitled to Medicare, after electing COBRA coverage;
4. The date the employer ceases to provide any group health plans;
5. For any other reason that would cause active coverage to end (e.g. fraudulent submission of claims);
6. If you were entitled to a disability extension, the first day of the first month that is more than 30 days after the Social Security Administration determines that the Qualified Beneficiary is no longer disabled. You must notify the Plan Administrator within 30 days of the Social Security Administration's decision that you are no longer disabled.

If You Have Questions: If you have questions about your COBRA continuation coverage, you should contact Group Dynamic, Inc.'s COBRA Team at 1-800-626-3539 or you may contact the nearest Regional or District Office of the U.S Department of Labor's Employee Benefits Security Administration (EBSA). Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA's website at <https://www.dol.gov/agencies/ebsa>. In addition, the Centers for Medicare & Medicaid's website, https://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/cobra_qna.html has information regarding COBRA and laws affecting group health plans of state and local governments.

Other Coverage Options: Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through a special enrollment period. Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

Keep Your Plan Informed of Address Changes: In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should keep a copy, for your records, of any notices you send to the Plan Administrator.

Plan Contact Information:

University of New England
ATTN: Benefits Manager
11 Hills Beach Road
Biddeford, ME 04005
(207) 602-2394

If you have any questions about COBRA, please contact our COBRA Team at 1-800-626-3539, Monday-Friday, 8am-5pm ET.





NOTICE SUPPLEMENTING THE ENCLOSED COBRA ELECTION NOTICE

EXTENSION OF CERTAIN COBRA TIMEFRAMES DURING THE OUTBREAK PERIOD

Please read this notice very carefully to help you understand your rights and responsibilities during the temporary extension of certain COBRA times frames due to the COVID-19 outbreak. The following information supplements your enclosed COBRA election notice

The enclosed election notice identifies the standard COBRA timeframes for electing COBRA coverage, paying COBRA premiums, and providing certain notices; however, the Federal government has extended certain of these time frames for COBRA Qualified Beneficiaries as a result of the COVID-19 outbreak. The extension runs from March 1, 2020 through the 60th day following the announced end of the National Emergency period (the “Outbreak Period”). The end date of the National Emergency period has not yet been announced by President Trump.

The extensions apply to the following COBRA time frames:

1. The 60- day deadline to notify your group health plan administrator of a qualifying event;
2. The 60-day deadline for Qualified Beneficiaries to elect COBRA;
3. The 60-day deadline to notify the plan that a Qualified Beneficiary was determined by the Social Security Administration to be disabled; and
4. The 45-day deadline in which to make a first premium payment and 30-day deadline for subsequent premium payments.

Although you may elect COBRA coverage and pay your premiums in accordance with the enclosed notice, any portion of the above time frames (as indicated in the enclosed notice) that occurs during the Outbreak Period will be added to the end of the Outbreak Period. For example, if the entire 60-day election period identified in the enclosed notice occurs during the Outbreak Period, you may make your election at any time up to 60 days after the Outbreak Period. Likewise, if the entire initial or subsequent premium payment period occurs during the Outbreak Period, you may make your premium payments at any time up to 45 (initial) and 30 (subsequent) days after the end of the Outbreak Period.

NOTE: You **must** (i) **elect** COBRA for yourself and any members of your family who are also qualified beneficiaries; and (ii) **pay** your initial premium for coverage to begin. Once you **both elect coverage and pay the required premiums**, coverage will be retroactively reinstated to the date of your qualifying event (as identified in the attached notice). In addition, if you do not pay subsequent monthly premiums by the otherwise applicable due dates identified in the enclosed election notice, your coverage will be suspended until you have timely paid your COBRA premium(s). Once timely premium payment is received, coverage will be reinstated retroactively.

For additional information as to other group health plan deadlines that have been extended by the Federal government, please go to: www.dol.gov/COBRA