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29 U.S.C. §§ 1161-  
1168

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## HEALTH INSURANCE CONTINUATION (COBRA)

### I. INTRODUCTION

In the event of an employee's voluntary or involuntary termination of employment (except for gross misconduct) or reduction of hours below 20 hours a week, the employee, spouse, and eligible dependent children may be entitled by law to purchase continuing health care coverage with the Boise Municipal Health Trust group plan (the Plan) for up to 18 months and the Consolidated Omnibus Budget Reconciliation Act [COBRA]. If the employee or any family member is disabled, the disabled individual and non-disabled family members may be entitled to an additional 11 months of continuation coverage for a total of 29 months of coverage.

In the event of an employee's death, divorce, or legal separation, or a retiree losing coverage under the group plan because of enrollment in Medicare, the spouse and eligible dependent children of the employee or retiree have the option of purchasing continuing coverage under the group health plan for up to 36 months. If a dependent child loses coverage under the health plan because he or she has reached 26 years of age, the child can purchase continuing health care coverage under the group plan for up to 36 months.

### II. COST TO EMPLOYEE

Employees or qualified beneficiaries electing COBRA coverage are responsible for paying the cost of the extended health care coverage. The purchase price of continuing coverage is the full cost of the premium for similarly situated active employees, plus 2 percent to help pay for administrative costs. During the 11 months of extended coverage for disabled employees or family members, the cost is 102 percent of the medical and/or dental premium rate.

Note, there may be other coverage options for employees and their families through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage.

### III. POST COBRA HEALTH CARE

After exhausting COBRA benefits, retired employees may be eligible for the Boise Municipal Health Trust's retiree medical and/or dental plans at the higher retiree stand

alone rates. To be eligible for this benefit the employee must have retired under the Public Employees Retirement System of Idaho (PERSI) and elected the continued coverage within 30 calendar days of COBRA exhaustion.

For eligible employees, the City will contribute \$100 per month toward the total contribution of the medical and/or dental option chosen until age 65 or Medicare eligibility. Upon reaching age 65 or Medicare eligibility, the employee may enroll in a City sponsored Medicare Advantage plan and the City will contribute \$50 per month toward the total premium. After age 65 or Medicare eligibility, a retiree who had previously declined coverage may opt back into a City sponsored Medicare Advantage plan and the City will contribute \$50 per month toward the premium.

Retiring non-contract Police and Fire command staff may elect to enroll in COBRA coverage according to the terms outlined by the Boise Fire/Police Trust.

The City of Boise reserves the right to require, reduce, or eliminate this benefit at any time and for any reason for all current or retired employees receiving this benefit or who may be eligible to receive this benefit.

#### IV. COVERAGE

By enrolling in the Health Care Continuation Plan, employees and their family members receive the benefit of purchasing the same extensive coverage provided to active employees at favorable group rates. There is no waiting period, no exclusion for preexisting conditions, and no physical examination. Any amounts already paid toward deductibles and coinsurance during the current year count under the continuation policy.

Continuing coverage terminates before the expiration of the 18-, 29-, or 36-month under the following circumstances:

- A. The employer no longer provides group health coverage to any of its employees.
- B. The beneficiary fails to make timely payments of COBRA premiums. The City will provide appropriate notice to employees regarding their COBRA obligations.
- C. A qualified beneficiary becomes covered under another group health plan, provided that other plan has no restrictions on coverage of preexisting conditions.
- D. A qualified beneficiary enrolls in the Medicare program.
- E. A beneficiary who was disabled at the start of COBRA continuation coverage is deemed no longer disabled during the 11-month extension period.

#### V. DEPENDENT CHILDREN

In order for the Plan to meet its legal obligations in providing continuing health care coverage, all employees shall inform the Human Resource Department within 60 days of a divorce or legal separation or when a dependent child reaches 26 years of age.

It also is essential that employees provide Human Resources with a current address for themselves and family members.