

**DEPARTMENT OF ADMINISTRATIVE SERVICES, OREGON  
EDUCATORS BENEFIT BOARD**

**DIVISION 50**

**CONTINUATION OF COVERAGE**

**111-050-0001**

**Continuation of Group Medical and Dental Insurance Coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA)**

COBRA allows an eligible individual losing group health plan coverage due to a qualifying event to continue their coverage for a limited time on a self-pay basis.

(1) OEGB will issue or cause the issuance of an initial COBRA notice explaining the right to continue medical and dental insurance plans to all newly eligible employees and individuals.

(a) The notice must be mailed to the eligible employee's known address immediately following enrollment in OEGB medical or dental insurance plans. The notice must include all known eligible individuals residing at the address. Known eligible individuals residing separately from the eligible employee must be mailed a separate notice at their known address.

(b) The initial COBRA notice must be mailed to individuals becoming newly eligible due to marriage or the formation of a domestic partnership.

(2) A COBRA triggering event must cause the loss of benefit coverage. COBRA triggering events include:

(a) an involuntary reduction in hours or layoff;

(b) a strike or lockout;

(c) the beginning of an unpaid leave of absence;

(d) the termination of employment;

(e) retirement;

(f) a dependent child no longer satisfying eligibility requirements;

(g) the loss of employer-sponsored group coverage for dependents due to Medicare eligibility;

(h) a divorce or termination of a domestic partnership; and

(i) the death of the employee.

(3) All individuals losing eligibility due to a triggering event must receive a COBRA continuation notice.

(4) An eligible employee or dependent has 60 days from the receipt of the COBRA notice to activate their COBRA rights of continuation and 45 days from the election date to pay the initial premium. OEGB-sponsored insurance coverage must be continuous through COBRA implementation.

(5) Generally, medical plans may be continued under COBRA provisions for the following basic maximum coverage periods:

(a) 18 months after the date of the triggering events specified in section 2(a)-(e) above; or

(b) An 11 month extension is provided to COBRA participants when there is a disability determination by the Social Security Administration and the plan is notified within the required timeline, resulting in a 29 month coverage period; or

(c) 36 months after the date of the triggering events specified in section 2(f)-(i) above.

(6) An eligible employee's spouse or domestic partner who is 55 years of age or older and who loses benefit coverage due to events specified in section 2(h) and (i) above, may continue OEGB medical insurance coverage for themselves and their dependent children beyond the general 36-month COBRA continuation period. An eligible individual may continue their OEGB medical insurance coverage until they are entitled to Medicare, are covered under another group medical insurance plan or otherwise lose eligibility.

(7) An eligible individual continuing OEGB medical insurance coverage only or medical and dental insurance coverage under COBRA provisions has the same rights as active eligible employees for making changes midyear and during the open enrollment period.

## **111-050-0010**

### **Eligibility for Retiree Medical, Dental and Vision Insurance Coverage**

An eligible retired employee and their eligible dependents enrolled in an OEGB benefit plan or district benefit plan for active employees may continue participation in any OEGB retiree medical, dental and vision insurance plan or plans available to his or her Employee Group until becoming eligible for Medicare. Insurance coverage under the OEGB or district active benefit plans, as an employee or as a dependent of an employee, and retiree benefit plans must be continuous.

(1) A retired employee must be:

(a) Receiving a service or disability retirement allowance or pension under the Public Employees Retirement System (PERS) or under any other retirement or disability benefit plan or system offered by an OEGB participating organization for its employees;

(b) Eligible to receive a service retirement allowance under PERS and has reached earliest retirement age under ORS Chapter 238;

(c) Eligible to receive a pension under ORS 238A.100 to 238A.245 and has reached earliest retirement age as described in ORS 238A.165; or

(d) Eligible to receive a service retirement allowance or pension under another retirement benefit plan or system offered by an OEGB participating organization and has reached earliest retirement age under the plan or system.

(2) A retired eligible employee may elect insurance coverage for themselves only or may elect to cover any eligible dependents covered by the employee's active plan immediately prior to the retirement.

(3) A former eligible employee who elects COBRA and later becomes eligible as a retired employee will have the right to transfer the COBRA medical and dental insurance coverage to the OEGB retiree benefit plans at any time during COBRA or within 30 days of the COBRA end date. Insurance coverage under the OEGB active, COBRA and retiree benefit plans must be continuous.

### **111-050-0015**

#### **Retirees Eligible for Medicare Coverage**

(1) A retiree and eligible individuals enrolled in OEGB retiree insurance plans who become eligible for Medicare coverage may not continue an OEGB retiree medical insurance plan. The exception is for Medicare eligibility as a result of end-stage renal disease. Insurance coverage ends the last day of the month that eligibility is lost.

(2) If a retiree becomes eligible for Medicare coverage, but his or her currently-enrolled eligible dependents are not, these eligible individuals may continue OEGB medical, dental and vision insurance coverage until such time as they no longer meet OEGB eligibility requirements or become eligible for Medicare coverage, whichever occurs first. The eligible individuals must submit the application for enrollment to the retiree plan administrator within 60 days of the retiree's eligibility for Medicare.

### **111-050-0020**

#### **Initial Enrollment**

(1) A retired eligible employee has 60 calendar days from the end date of active eligible employee insurance coverage to enroll in OEGB-sponsored medical, dental and vision plans and can elect coverage for themselves only or can continue coverage on eligible dependents covered on his or her benefit plans as an active employee.

(a) Coverage must be continuous.

(b) Retired eligible employees may choose to only enroll in an OEGB-sponsored dental plan, unless determined otherwise by a collective bargaining agreement or documented district policy.

(c) Coverage not elected at the time of initial eligibility for early retiree benefits cannot be added at a later date.

#### **Plan Change Periods**

- (1) OEGB will offer an annual plan change period for retired eligible employees.
- (2) A retired eligible employee can change benefit plans consistent with members of their former active Employee Group.
- (3) A retired eligible employee may not add dependents or enroll in coverage(s) he or she did not select during the initial enrollment period.

## **111-050-0025**

### **Effective Dates**

(1) Benefit plan changes or initial elections, unless otherwise specified in a collective bargaining agreement or documented district policy in effect on June 30, 2008, are effective on the later of:

(a) The first of the month following a completed online enrollment in the OEGB benefit management system or submission of a paper enrollment or change form; or

(b) The first of the month following the date of eligibility.

(2) Covered dependent changes are effective the first of the month following the date of the event causing the dependent to be eligible under OEGB administrative rules with the following exceptions:

(a) Coverage for a newborn child is effective on the date of birth through the first 31 calendar days. To continue coverage the retired eligible employee must add the newborn child to their benefit plans within 60 calendar days from the date of birth.

(b) Coverage for a newly adopted child is effective the date of the adoption decree or date of placement for adoption through the first 31 calendar days pending the completion of adoption proceedings. To continue coverage the retired eligible employee must add the adopted child to their benefit plans within 60 calendar days from the date of the decree or placement;

(i) The retired eligible employee must submit the adoption agreement with the enrollment forms to the Participating District.

(ii) Claims payments will not be made for expenses incurred prior to the date of decree or placement.

(c) Coverage for a dependent child by affidavit as defined in OEGB administrative rules starts the first of the month following receipt of the affidavit by the district benefits administrator

## **111-050-0030**

### **Correcting Enrollment and Processing Errors**

(1) Employee Enrollment Errors. Enrollment errors occur when a retired eligible employee provides incorrect information or fails to make correct selections when making benefit plan

changes. The retired eligible employee is responsible for identifying enrollment errors or omissions.

(a) OEGBB authorizes Participating Districts to correct enrollment errors reported by the retired eligible employee within 60 calendar days of the original eligibility date, annual plan change period end date, or midyear benefit plan change date. Corrections are retroactive to the original effective date as identified in OAR 111-050-0025.

(b) Enrollment errors identified after 60 calendar days of the eligibility date, annual plan change period end date or midyear benefit plan change date must be submitted to OEGBB for review and approval based on OAR 111-070-0001. If approved, corrections are retroactive to the original effective date as identified in OAR 111-050-0025.

(2) Benefit Administrator Processing Errors. Processing errors or omissions occur when benefit plan changes are processed incorrectly in the benefit system.

(a) OEGBB authorizes Participating Districts to correct processing errors identified within 60 calendar days of the eligibility date, annual plan change period end date, or midyear benefit plan change date. Corrections are retroactive to the original effective date as identified in OAR 111-050-0025. The Participating District must reconcile all premium discrepancies.

(b) Processing errors identified after 60 calendar days of the eligibility date, annual plan change period end date, or midyear benefit plan change date must be submitted to OEGBB for review and approval based on OAR 111-070-0001. If approved, corrections are retroactive to the original effective date as identified in OAR 111-050-0025. The Participating District must reconcile all premium discrepancies within 30 calendar days of any adjustments made in the system.

### **111-050-0035**

#### **Late Enrollment**

(1) Late enrollment occurs when a retired eligible employee fails to enroll for benefits within 60 days of retirement or fails to add an eligible dependent within 31 calendar days of:

(a) The date a spouse, domestic partner, or dependent child gains eligibility;

(b) The date of marriage to a spouse who was most recently enrolled as a domestic partner; or

(c) The date of birth of the retired eligible employee's biological newborn dependent child.

(2) OEGBB authorizes Participating Districts to approve late enrollment requests for retired eligible employees and dependents when the request is reported within 60 calendar days of the eligibility dates referenced in sections 1a, 1b, and 1c.

(3) OEGBB must review and approve all late enrollment requests based on OAR 111-070-0001 when the request is made more than 60 calendar days after the eligibility dates referenced in sections 1a, 1b, and 1c.

(4) Approved late enrollment requests, unless determined otherwise in a collective bargaining agreement or documented district policy in effect on June 30, 2008, are effective the first of the

month following the date the request is received by a district benefits administrator or OEBC, except for approved requests to add newborn children which are retroactive to the month the child was born along with any premium adjustments.

#### **111-050-0045**

##### **Termination Dates**

(1) Benefit coverage for a retired eligible employee, a spouse, a domestic partner or a dependent child ends on the last day of the month that eligibility is lost according to OEBC administrative rules, unless determined otherwise through a collective bargaining agreement or documented district policy in effect on June 30, 2008.

(2) Benefit coverage for a spouse, domestic partner, or dependent child ends on the last day of the month that a retired eligible employee dies, unless otherwise determined by a collective bargaining agreement or documented district policy in effect on June 30, 2008.

#### **111-050-0050**

##### **Removing an Ineligible Individual from Benefit Plans**

(1) A retired eligible employee is responsible for removing ineligible spouses, domestic partners and dependent children from their OEBC-sponsored benefit plans by submitting completed, applicable forms to their district benefits administrator. An ineligible individual must be removed from OEBC-sponsored benefit plans within 31 calendar days of the date the individual becomes ineligible. Coverage ends on the date identified under OAR 111-050-0045.

(2) A retired eligible employee ending a domestic partnership by affidavit must complete and submit a Termination of Domestic Partnership form and enrollment update forms to the district benefits administrator within 31 calendar days of the event for removal of the domestic partner and domestic partner's dependent children from their benefit plan. Benefit coverage for the domestic partner and domestic partner's dependent children ends on the last day of the month that eligibility is lost.

(3) A Participating District is responsible for removing ineligible individuals from the OEBC benefits management system. Ineligible individuals must be removed from coverage under OEBC-sponsored benefit plans retroactive to the end of the month when eligibility was lost.

(4) The retired eligible employee may be responsible for claims previously paid by the benefit plans to the providers during the period of ineligibility. Premium adjustments will be made retroactively based on when the ineligible individual was reported to the district benefits administrator.

(a) Ineligible individuals reported within 90 calendar days after the month eligibility was lost will result in premium adjustments retroactive to the first of the month following the loss of eligibility.

(b) Ineligible individuals reported more than 90 calendar days after the month eligibility was lost will result in premium adjustments for the month the ineligible individual was reported and the two previous months.

(5) OEGB may conduct audits to determine the eligibility status of dependents of retired eligible employees covered under OEGB-sponsored benefit plans. If requested, documentation certifying the eligibility of covered dependents must be provided.

Stat. Auth.: chapter 00007, Oregon Laws 2007

Stats. Implemented: section 1(4)(a)(B), chapter 00007, Oregon Laws 2007; section 4(7), chapter 00007, Oregon Laws 2007; ORS 659A.060-069 & ORS 743.600-602