
COBRA BENEFITS POLICY

The Collaborative Charter Services Organization (“CSO”) complies with all requirements of the Consolidated Omnibus Budget Reconciliation Act (“COBRA”) with regard to employee rights and benefits. When coverage under the CSO’s medical and/or dental plan ends, employees and eligible dependents may continue coverage for up to eighteen (18) or thirty-six (36) months through COBRA, as described in this policy. The employee is responsible for all associated costs if they elect to continue coverage, which includes the employee contribution and the CSO’s previous contribution, plus any administrative charges imposed by COBRA.

Medical coverage for an employee, their spouse, and eligible dependent children may be continued for up to eighteen (18) months if coverage ends because:

1. Employment ends, voluntarily or involuntarily, for any reason other than gross misconduct; or
2. Hours of employment are reduced below the amount required to be considered a full-time or part-time employee, making an employee ineligible for the plan.

The eighteen (18) month period may be extended an additional eleven (11) months in cases of disability, subject to COBRA imposed requirements. The eighteen (18) month period may also be extended an additional eighteen (18) months if other events (such as a divorce or death) occur, subject to certain requirements.

An employee’s spouse and eligible dependents may continue their health coverage for up to thirty-six (36) months if coverage ends because:

1. The employee dies while covered by the plan;
2. The employee and their spouse become divorced or legally separated;
3. The employee becomes eligible for Medicare coverage, but their spouse has not yet reached age sixty-five (65); or
4. The employee’s dependent child reaches an age (26) which makes them ineligible for coverage under the plan.

Rights similar to those described may apply to retirees, spouses, and dependents if the employer commences a bankruptcy proceeding and those individuals lose coverage.

The CSO will notify employees/dependents if coverage ends due to termination or a reduction in work hours. If an employee becomes eligible for Medicare, divorced or legally separated, dies, or when a dependent child no longer meets the eligibility requirements, the employee or a family member is responsible for notifying the CSO within thirty (30) days of the event. The CSO will then notify the employee or their dependents of their rights under COBRA.

Health coverage continuation must be elected within sixty (60) days after receiving notice of the end of coverage, or within sixty (60) days after the event causing the loss, whichever is later.

There are certain circumstances under which coverage will end automatically. This happens if:

1. Premiums for continued coverage are not paid within thirty (30) days of the due date;
2. The employee (or their dependents) become covered under another group health plan which does not contain any exclusion or limitation with respect to any pre-existing condition the employee (or the employee's dependent, as applicable) may have;
3. The CSO stops providing group health benefits;
4. The employee (or the employee's dependent) becomes entitled to Medicare; or
5. The employee extended coverage for up to twenty-nine (29) months due to a disability and there has been a final determination that the employee is no longer disabled.

The CSO may contract with a third party administrator to monitor and facilitate the COBRA plan including employee notice, payment processing, and mandatory reporting.