

NOTICE OF CONTINUATION HEALTH INSURANCE COVERAGE RIGHTS

Introduction

You are receiving this notice because you have recently become covered under The Diocese of Beaumont health plan (the Plan). This notice contains important information about continuation of coverage, which is a temporary extension of coverage under the Plan. **This notice generally explains continuation of coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.**

The right to continuation of coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). By Federal regulation, religious organizations are exempt from COBRA, but in the interest of its employees, the Diocese of Beaumont offers a continuation of coverage plan. Continuation of coverage may become available to you when you would otherwise lose your group health coverage. It may also become available to other members of your family who are covered under the Plan when they would otherwise lose their group health coverage.

What is Continuation of Coverage?

Continuation of coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a “qualifying event.” Specific qualifying events are listed later in this notice. After a qualifying event, continuation of coverage will be offered to each person who is a “qualified beneficiary.” You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plan is lost because of the qualifying event. Under the Plan, qualified beneficiaries who are eligible and elect the continuation of coverage must pay for it by terms specified by the diocese.

If you are an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because either one of the following qualifying events happens:

- Your hours of employment are reduced to less than 30 hours per week, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee, you will become a qualified beneficiary if you lose your coverage under the Plan because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse’s hours of employment are reduced to less than 30 hours per week;
- Your spouse’s employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they lose coverage under the Plan because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee’s hours of employment are reduced to less than 30 hours per week;
- The parent-employee’s employment ends for any reason other than his or her gross misconduct;
- The parents become divorced or legally separated; or
- The child stops being eligible for coverage under the plan as a “dependent child.”

When is Continuation of Coverage Available?

The Plan will offer continuation of coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is termination of employment or reduction of hours of employment, or death of the employee, the employer must notify the

Plan Administrator of the qualifying event. Please note, if the qualified beneficiary has other health coverage including Medicare, continuation of coverage can not be offered.

You Must Give Notice of Some Qualifying Events

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child's losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 30 days after the qualifying event occurs. You must provide this notice to: Diocese of Beaumont Attn Benefits PO Box 3948 Beaumont TX 77704-3948.

How is Continuation Coverage Provided?

Once the Plan Administrator receives notice that a qualifying event has occurred, continuation of coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect continuation of coverage. Covered employees may elect continuation of coverage on behalf of their spouses, and parents may elect continuation of coverage on behalf of their children.

Continuation of coverage is a temporary extension of your health care benefits. When the qualifying event is the death of the employee, your divorce or legal separation, or a dependent child's loss of eligibility, continuation of coverage may last for up to a total of 18 months. Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, continuation of coverage may last for up to 18 months. There is one reason for which this 18-month period of continuation of coverage can be extended.

Disability extension of 18-month period of continuation coverage

If you or anyone in your family covered under the Plan is determined by Social Security Administration to be disabled and you notify the Plan Administrator in a timely fashion, you and your eligible dependents may be entitled to receive up to an additional 11 months of continuation of coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60th day of continuation of coverage and must last at least until the end of the 18-month period of continuation of coverage. You must provide a copy of the SSA determination to Diocese of Beaumont Attn Beverly Escamilla PO Box 3948 Beaumont TX 77704-3948 within 60 days of the date of the disability determination, the date of the qualifying event or the date coverage was lost or would be lost under the plan (whichever is later) and before the end of the first 18-months of continuation of coverage.

If You Have Questions

Questions concerning your Plan or your continuation of coverage rights should be addressed to the contact or contacts identified below.

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 also keep a copy, for your records, of any notices you send to the Plan Administrator.

Plan Contact Information

Diocese of Beaumont
Attn Benefits
PO Box 3948
Beaumont TX 77704-3948

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