Section 4
CONTINUATION OF COVERAGE
RIGHTS UNDER COBRA

A. CONTINUATION RIGHTS – COBRA

Under the Public Health Service Act, as amended, covered Employees and their covered Dependents may have the right to continue coverage beyond the time coverage would ordinarily have ended. Only covered Employees, their covered spouses and covered Dependent Children and the covered spouses and Dependent Children of covered Retirees are qualified beneficiaries.

The Plan Administrator is the Office of the Commissioner of Higher Education, 2500 Broadway, Helena, MT 59601; 406-444-2574. COBRA continuation coverage for the Dental Plan and the Vision Hardware Plan is administered by Allegiance COBRA Services, Inc.; P.O. Box 2097; Missoula, MT 59806, 406-721-2222. Blue Cross and Blue Shield of Montana continues to process vision hardware claims. Delta Dental continues to process dental claims. COBRA continuation coverage for Medical Plans is administered by the Claims Administrators for those plans.

COBRA continuation coverage is available to any qualified beneficiary whose coverage would otherwise terminate due to any qualifying event. COBRA continuation coverage under this provision will begin on the first day immediately following the date coverage terminates.

Qualifying events for Employees, for purposes of this section are the following events, if such event results in a loss of coverage under this Plan:
1. The termination (other than by reason of gross misconduct) of the Employee’s employment (including retirement).
2. The reduction in hours of the Employee’s employment.

Qualifying events for covered Dependents, for purposes of this section are the following events, if such event results in a loss of coverage under this Plan:
1. Death of the Employee or Retiree.
2. Termination of the Employee’s employment (other than by reason of gross misconduct).
3. Reduction in hours of the Employee’s employment.
4. Divorce or legal separation of the legal spouse from the Employee or Retiree.
5. A covered Dependent Child ceases to be eligible as a Dependent

NOTIFICATION RESPONSIBILITIES: A Plan Participant must notify his or her employer of a qualifying event within sixty (60) days after the date of the qualifying event. The Plan Participant must make notice on the Choices Enrollment Form, available from each campus Human Resources/Benefits Office or on the website, www.abpmtpa.com/mus, and return the completed Choices Enrollment Form to the campus Human Resources/ Benefits Office within sixty (60) days of the date of the qualifying event.

The campus Human Resources/ Benefits Office must notify the COBRA Administrator on behalf of the Plan of any of the following events it receives notice of:
1. Death of the Retiree.
2. The divorce or legal separation of the Employee or Retiree from his/her legal spouse.
3. A covered Dependent Child’s loss of eligibility as a Dependent under the Plan.

Notice to the COBRA Administrator must occur within thirty (30) days after the applicable event or within thirty (30) days after the MUS/employer receives notice of the applicable event, whichever occurs later.

ELECTION OF COVERAGE: When the COBRA Administrator is notified of a qualifying event, the COBRA Administrator will notify the qualified beneficiary of the right to elect continuation of coverage. The qualified beneficiary may continue current medical/dental/vision hardware coverage. New benefit
elections may be made during the annual enrollment period. Notice of the right to COBRA continuation of coverage will be sent by the COBRA Administrator on behalf of the Plan no later than fourteen (14) days after the COBRA Administrator is notified of the qualifying event.

A qualified beneficiary has sixty (60) days from the date coverage would otherwise be lost or sixty (60) days from the date of notification from the COBRA Administrator, whichever is later, to notify the COBRA Administrator that he/she elects to continue coverage under the Plan. Failure to elect continuation within that period will cause coverage to end.

MONTHLY PREMIUM PAYMENTS: A qualified beneficiary is responsible for the full cost of continuation. Monthly premium for continuation of coverage must be paid in advance to the COBRA Administrator, on behalf of the Plan Administrator. The premium required under the provisions of COBRA is as follows:

1. For a qualified beneficiary, the premium is the same as applicable to any other similarly situated non-COBRA Subscriber plus an additional administrative expense of up to a maximum of two percent (2%).

2. For a qualified beneficiary continuing coverage beyond eighteen (18) months due to a documented finding of disability by the Social Security Administration within sixty (60) days after becoming covered under COBRA, the premium may be up to a maximum of one hundred fifty percent (150%) of the premium applicable to any other similarly situated non-COBRA Subscriber.

3. For a qualified beneficiary with a qualifying Social Security Disability who experiences a second qualifying event:
   a. If another qualifying event occurs during the initial eighteen (18) months of COBRA coverage, such as a death, divorce, legal separation, or Medicare entitlement, the monthly fee for a qualified disabled person may be up to a maximum of one hundred and two percent (102%) of the applicable premium.
   b. If the second qualifying event occurs during the nineteenth (19th) through the twenty-ninth (29th) month (the Disability Extension Period), the premium for a qualified beneficiary may be up to a maximum of one hundred fifty percent (150%) of the applicable premium.

Payment of claims while covered under COBRA continuation coverage will be contingent upon the receipt by the MUS of the applicable monthly premium for such coverage. The monthly premium for continuation coverage under this provision is due the first of the month for each month of coverage. A grace period of thirty (30) days from the first of the month will be allowed for payment. Payment will be made in a manner prescribed by the MUS.

DISABILITY EXTENSION OF 18-MONTH PERIOD OF CONTINUATION COVERAGE: If a qualified beneficiary who is covered under the Plan is determined by the Social Security Administration to be disabled at any time before the qualifying event or within sixty (60) days after the qualifying event, and the COBRA Administrator (on behalf of the Plan Administrator) is notified in a timely fashion, the qualified beneficiary covered under the Plan can receive up to an additional eleven (11) months of COBRA continuation coverage, for a total maximum of twenty-nine (29) months. The COBRA Administrator (on behalf of the Plan Administrator) must be provided with a copy of the Social Security Administration’s disability determination letter within sixty (60) days after the date of the determination and before the end of the original 18-month period of COBRA continuation coverage. If this notice is sent to a campus Human Resources/Benefits Office or to the Plan Administrator, it should be sent to the appropriate COBRA Administrator.

SECOND QUALIFYING EVENT EXTENSION OF 18-MONTH PERIOD OF CONTINUATION COVERAGE: If another qualifying event occurs while receiving COBRA continuation coverage, the spouse and Dependent Children of the former Employee can get additional months of COBRA continuation coverage, up to a maximum of thirty-six (36) months. This extension is available to the spouse and Dependent Children if the former Employee dies or becomes divorced or legally separated from the spouse. The extension is also available to a Dependent Child when that Child ceases eligibility under the Plan as a Dependent Child. In all of these cases, the COBRA Administrator (on behalf of the
Plan Administrator) must be notified of the second qualifying event within sixty (60) days of the second qualifying event. **Failure to make notice within the sixty (60) days will result in loss of eligibility for an extension of COBRA Continuation Coverage.**

**WHEN COBRA CONTINUATION COVERAGE ENDS:** COBRA continuation coverage and any coverage under the Plan that has been elected with respect to any qualified beneficiary will cease on the earliest of the following:

1. On the date the qualified beneficiary becomes covered under another group health plan or health insurance, unless the other group health plan contains a provision excluding or limiting coverage for a Pre-existing Condition of the qualified beneficiary that is covered under this Plan. However, if the exclusionary period does not apply due to prior Creditable Coverage, COBRA continuation coverage ends. Coverage will not be terminated as stated until the pre-existing exclusionary period of the other coverage is no longer applicable for any qualified beneficiary.

2. On the date after the date of election for COBRA continuation coverage, that the qualified beneficiary becomes enrolled in Medicare (either Part A or B).

3. On the first date that timely payment of any premium required under the Plan with respect to COBRA continuation coverage for a qualified beneficiary is not made to the Plan Administrator.

4. On the date the MUS ceases to provide any group health plan coverage to any Employee.

5. On the date of receipt of written notice that the qualified beneficiary wishes to terminate COBRA continuation coverage.

6. On the date that the maximum coverage period for COBRA continuation coverage ends, as follows:  
   a. Eighteen (18) months for a former Employee who is a qualified beneficiary as a result of termination (or reduction of hours) of employment; 
   b. Eighteen (18) months for a Dependent who is a qualified beneficiary unless a second qualifying event occurs within that eighteen month period entitling that Dependent to an additional eighteen (18) months; 
   c. On the first day of the month beginning thirty (30) days after a qualified beneficiary is determined to be no longer disabled by the Social Security Administration if the qualified beneficiary was found to be disabled on or within the first sixty (60) days of the date of the qualifying event and has received at least eighteen (18) months of COBRA continuation coverage. COBRA continuation coverage will also terminate on such date for all Dependents who are qualified beneficiaries as a result of the qualifying event unless that Dependent is entitled to a longer period of COBRA continuation coverage without regard to disability; 
   d. Twenty-nine (29) months for any qualified beneficiary if a disability extension period of COBRA continuation coverage has been granted for that qualified beneficiary; or 
   e. Thirty-six (36) months for all other qualified beneficiaries.

7. On the same basis that the Plan can terminate for cause the coverage of a similarly situated non-COBRA Subscriber. **QUESTIONS:** Any questions about COBRA Continuation Coverage should be directed to Allegiance COBRA Services, Inc., P.O. Box 2097, Missoula, MT 59806 or 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 [www.dol.gov/ebsa](http://www.dol.gov/ebsa).

**INFORM THE PLAN OF ADDRESS CHANGES:** In order to protect the Employee’s or Retiree’s family’s rights, the Employee, Retiree or Dependent should keep the Plan Administrator informed of any changes in the addresses of family members. The Employee or Retiree should also keep a copy, for his/her records, of any notices sent to the Plan Administrator or campus Human Resources/Benefits Office.