

LEXINGTON LOCAL SCHOOLS
103 CLEVER LANE * LEXINGTON, OHIO 44904

COBRA INFORMATION

On April 17, 1986, a new Federal Law was enacted (Public Law 99-272, Title X), otherwise known as the Consolidated Omnibus Reconciliation Act of 1985 (**COBRA**), requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called “continuation coverage”) at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in summary fashion, of your rights and obligations under the continuation coverage provisions of the law.

You have the right to choose continuation of current health care coverage if you lose your health care coverage because of a reduction in your hours of employment or the termination of your employment for any reason other than gross misconduct on your part.

The spouse of an employee and a dependent child, covered under health insurance, also has the right to continuation coverage if group health coverage under the plan is lost for any of the following reasons:

1. The death of a spouse/parent.
2. The termination of spouse/parent’s employment (for reason other than gross misconduct).
3. Reduction in spouse/parent’s hours of employment.
4. Divorce or legal separation.
5. Spouse/parent becomes eligible for Medicare.
6. The dependent ceases to be a “dependent child” under the health care plan.

Under this law, the employee or family member has the responsibility to inform the Plan Administrator **within 60 days** of a divorce, legal separation or child losing dependent status under the health insurance. Your employer has the responsibility to notify the Plan Administrator of the employee’s death, termination of employment, reduction in hours, or Medicare eligibility. Once the Plan Administrator is notified, you will in turn be notified that you have the right to choose continuation coverage within 60 days of the date you lost coverage. **Payment for continuation coverage is due the first of every month. By choosing continuation coverage, you will be responsible for the premiums due during the 60 day grace period. If you do not choose continuation coverage, your group health insurance will end.**

If you choose continuation coverage, your employer is required to give you coverage identical to the coverage being provided under the plan to similarly situated employees and family members. This law requires that you be afforded the opportunity to maintain continuation coverage for 3 years unless you lost group health coverage because of a termination of employment or reduction in hours. In that case, the required continuation coverage is 18 months. However, the law provides that your continuation coverage may be cut short for the following reasons:

1. The employer no longer provides group health coverage to any of its employees.
2. The premium for continuation coverage is not timely paid.
3. You become covered under another group health plan.
4. You become eligible for Medicare.

You do not have to show that you are insurable to choose continuation coverage. However, you will have to pay all the premiums for your continuation coverage. At the end of the 18 month or 3 year continuation coverage period, you must be allowed to enroll in an individual conversion health plan provided under the plan.

This law applies to Lexington Local Schools. If you have any questions concerning COBRA coverage, have changed your marital status or address, please contact Kathy Schwechheimer at the Treasurer's office at 419-884-1192.

Judy Stahl
Treasurer-Lexington Local Schools
103 Clever Lane
Lexington, OH 44904