

MICHIGAN CIVIL SERVICE COMMISSION

EMPLOYEE BENEFITS DIVISION

P.O. Box 30002

Lansing, Michigan 48909

Toll Free: 800-505-5011; Fax: 517-284-0078

IMPORTANT: TERMS AND CONDITIONS FOR CONTINUING YOUR INSURANCES

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage through COBRA continuation coverage when there's a qualifying event that would result in a loss of coverage under an employer's plan. COBRA continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the plan. Each qualified beneficiary who elects COBRA continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan.

You must accurately and promptly complete this application so the Employee Benefits Division (EBD) can verify continuation of requested insurances. You should return this form even if you do not wish to enroll in any insurance. Mail the completed application to the above address within 7 days, especially if you anticipate filing claims within the month. Waiting will delay notification to insurance plan administrators that process and pay insurance claims. If the form is not received in EBD by the due date in the upper-right corner, you will **not** be eligible to continue your insurances. Make and retain a copy of the form before mailing.

If you are eligible for LTD benefits, and you need health coverage, you must return this form requesting the health coverage. This will activate your LTD Rider to pay your premium, for up to six months, as long as you are receiving LTD benefits. Dental and vision premiums are **not** paid by the LTD Rider. If your spouse is a state employee or retiree, you may transfer your health, dental, and vision coverage to your spouse, within 31 days of losing the corresponding coverage.

Upon receipt of your application, EBD will process coverages you select. If you have enrolled in COBRA coverage (past the date of FMLA and/or LTD Rider benefits) you will receive a bill in the mail on a monthly basis. Continuation of your insurance benefits will depend on your timely, whole (not partial) premium payment by the due date shown on the billing invoices. COBRA Law provides a 45-day grace period from the date on the invoice for a full (not partial) premium payment. If you timely elect coverage and your full payment is received by the end of the grace period, your coverage will be effective the day after the above insurance end date. If your full payment is not received by the end of the grace period, your coverage(s) will be canceled for non-payment. Checks returned "Non-Sufficient Funds" (NSF) will cause the termination of your insurance benefits.

You must provide notice in writing, within 31 days, to EBD of any changes in your status or those of your family members which may affect eligibility and/or billing direction. Any falsification of these records may result in the cancellation of your insurance benefits.

The benefits you receive will be commensurate with active state employee/retirees. EBD may cancel your coverage for any of the following reasons (1) the State of Michigan no longer provides group health insurance coverage to any of its employees/retirees; (2) the premium for continuation coverage is not timely paid; (3) you become covered under another group health plan; or (4) you were divorced from a covered employee and subsequently remarry and are covered under your new spouse's group health plan.

If you are in current paid-to-date status and have signed up for and have continued your Health, Dental, Vision and/or Life coverage, you may be eligible to participate in the annual State of Michigan open-enrollment process. If you have questions, please call 800-505-5011.

If you elect continuation coverage, you may be able to extend the length of continuation coverage if a qualified beneficiary is disabled, or if a second qualifying event occurs. You must notify EBD of a disability or a second qualifying event within a certain time period to extend the period of continuation coverage. If you don't provide notice of a disability or second qualifying event within the required time period, it will affect your right to extend the period of continuation coverage. For more information about extending the length of COBRA continuation coverage visit <http://www.dol.gov/ebsa/publications/cobraemployee.html>.

Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, Medicare, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible. When you lose job-based health coverage, it's important that you choose carefully between COBRA continuation coverage and other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option.

DEPENDENT ELIGIBILITY

Your spouse and children may be covered under Health, Dental, and Vision plans if they meet the following eligibility criteria:

Spouse - your legal husband or wife may be covered as a dependent if the spouse is not also separately enrolled at the same time as an eligible State of Michigan Employee or Retiree or under their own COBRA coverage with the State of Michigan.

Children - your eligible children by birth, legal adoption or legal guardianship may be covered as a dependent if they are not also separately enrolled at the same time as an eligible dependent of another State of Michigan Employee or Retiree. Additionally, they may not be similarly enrolled on their own policy as an active State of Michigan Employee.

Enrolling Eligible Dependents - if you acquire any dependents after you are enrolled, you may enroll them within 31 days of the date they were newly acquired (date of marriage, birth, adoption, etc.) by contacting EBD.

No person (spouse or child) will be considered a "dependent" while serving in the armed forces of any country. In addition, no person may be covered both as a COBRA Enrollee and as a dependent, and no person may be covered as a dependent of more than one enrolled Employee or Retiree. Employees or Retirees or COBRA Enrollees who are married to each other may carry insurance coverages separately, but not with the same dependent children under both coverages.

MEDICARE

In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the initial enrollment period for Medicare Part A or B, you have an 8-month special enrollment period¹ to sign up, beginning on the earlier of

- The month after your employment ends; or
- The month after group health plan coverage based on current employment ends.

If you don't enroll in Medicare Part B and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and then enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

This notice does not fully describe continuation coverage or other rights under the plan. More information about continuation coverage and your rights under the plan is available in your summary plan description or from the plan administrator. This material is available in alternative formats, upon request. For further information, please call the EBD at 800-505-5011.

¹ <https://www.medicare.gov/sign-up-change-plans/how-do-i-get-parts-a-b/part-a-part-b-sign-up-periods>. These rules are different for people with End Stage Renal Disease (ESRD).