

Procedure Title:**EMPLOYMENT BENEFIT PROGRAMS****PROCEDURE NUMBER: 3-1-3****Policy Title:**

Benefits Continuation (COBRA)

Effective Date:

2/1/2003

Revision Date:

1/15/2003

**APPLIES TO:**

- Chapter 2380 – Adult Training Facilities
- Chapter 2390 – Vocational Facilities
- Chapter 3800 – Child Residential and Day Treatment Facilities
- Chapter 6400 – Community Homes For Individuals With Mental Retardation
- Chapter 6500 – Family Living Homes
- Supported Living Program

PROCEDURE:

1. The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Keystone's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.
2. Under COBRA, the employee or beneficiary pays full cost of coverage at Keystone's group rates plus an administration fee. Keystone provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Keystone's health insurance plan. The notice contains important information about the employee's rights and obligations.

NOTES: