

TUCSON UNIFIED SCHOOL DISTRICT

COBRA

What is COBRA?

The first order of business is to explain what COBRA is *NOT*: COBRA is NOT different insurance from the insurance you have with TUSD.

COBRA is exactly the same insurance (same deductibles, co-pays, doctors, dentists, etcetera) as you have when you retire from TUSD. It is simply a continuation of your insurance for a limited time.

What will be different for you after your move to the COBRA program is that TUSD will no longer subsidize your insurance; you become responsible for the total cost. Fortunately, you will still get the group rate for the insurance, which is often less expensive than individual policies might be.

Additionally, during the period of COBRA coverage, you will be able to adjust your insurance choices during any TUSD open enrollments, just as you have while working for TUSD, or you could modify the insurance if a qualifying event occurs.

For more details about COBRA, visit www.dol.gov/general/topic/health-plans/cobra

What does it include?

When you complete your application for continuing your insurance through COBRA, you will decide which aspects of your insurance you want to continue. You may keep them all (medical, dental, vision, and the Employee Assistance Program), or you may waive coverage for different items. You could even drop coverage for different individuals; however, you could not otherwise change coverage, add coverage, or add dependents at the point of moving to COBRA unless there is also a qualifying event that allows the change.

Remember that because your COBRA coverage can continue for up to eighteen months, you will have opportunities to change other aspects of your insurance during the TUSD “Open Enrollments” that will occur during your months of COBRA coverage.

The COBRA program does NOT include life insurance. Voya Life will contact you about continuing your life insurance after you separate from employment.

How much does it cost?

The COBRA rates are attached. They may also be found on the Benefits Department website on the intranet at <http://www.tusd1.org/contents/depart/benefits/cobra.asp>

Using the table of rates, your cost will be the sum of whichever insurance programs (medical + dental + vision + Employee Assistance Program) you have and choose to keep after separating. You will need to pay the total applicable insurance premiums every month in order to keep the insurance in force.

Who does it cover?

In most cases, everyone covered by your insurance at the time you retire will continue to be covered under the COBRA program.

How long does it last?

COBRA is available to you for 18 months. However, coverage will usually cease

- 1) for you and/or for another dependent adult if you sign up for Medicare after moving into the COBRA program
- 2) for qualifying minor dependents upon their reaching the age of 26.

Additional information, as well as exceptions to these rules, may be found at the COBRA website.

Although COBRA is available to you for 18 months, your commitment to the program is on a month to month basis. You may cancel your coverage whenever you choose within that period.

How and when do I sign up?

Your separation from TUSD is the event that qualifies you to be eligible for the COBRA program. Once you separate, TUSD informs the COBRA administrator (a company named Conexis) that you have separated and should be offered a continuation of your insurance. Conexis, in turn, will send you documents offering you the opportunity to sign up for the COBRA program. (Remember that the offer will not come from TUSD.) Once notified by Conexis, you have 60 days to register to participate in COBRA.

Usually, your insurance through TUSD will stop at the end of the month during which you separate from employment. If the information from Conexis does not get to you before the end of that month, then when you do sign up for COBRA the insurance will be retroactive back to the first of the month as long as you have responded to the COBRA offer within the deadline stated in the documents provided by Conexis. For example, if your TUSD-subsidized insurance ends on October 31, and you don't receive your COBRA information until November 8, when you sign up for COBRA, it will be retroactive back to November 1.

NOTE: Some years TUSD continues the subsidized insurance coverage through August 31st for employees separating during May, June, July, or August, with COBRA coverage beginning September 1st. Be sure to check with the Benefits Department to find out if that coverage would be available to you.

When does it start?

Once Conexis receives your completed application and insurance payment, they will notify the insurance companies that you have chosen to continue your insurance through the COBRA program. Once informed, the insurance companies will retroactively activate the coverage back to the first day of the month during which you would not have had coverage. As a result, you will never have a lapse in insurance coverage.

What happens if I have an emergency and need a doctor or hospital during the few days between when my insurance ends and when I get signed up for COBRA?

About the same time that Conexis is informed that you have separated, your insurance companies are also being informed of your separation. However, that does not necessarily mean that your insurance will end exactly at midnight on the last day of the month. In reality, if you separate in October, for example, and a provider (doctor, hospital, pharmacy, etc.) calls to verify coverage, say on November 8th, the provider may well be told that coverage is in effect (when in fact, once your information from TUSD is processed by the insurance companies, coverage will terminate on October 31st). This means that the perceived "window" of not being covered is much shorter than a person may think.

If the provider is told that the insurance has terminated, then you would tell the provider that you are electing to move to COBRA and that the transition is still in process. At that point, most providers will consider that you are still covered. Some, however, will want payment. In those cases, you would have to pay for the services, but you would later be reimbursed according to the terms of your insurance.

Good News for Arizona State Retirement System retirees!

ASRS will help you pay for your insurance if you retire with ASRS and choose

- 1) to continue your insurance through COBRA,
- 2) to take the insurance offered by ASRS, or
- 3) to combine the COBRA insurance with the ASRS insurance.

If you choose one of those three, then ASRS will provide you an insurance stipend as long as you have had at least 5 years of ASRS membership.

If you are the only person covered by the insurance, then the maximum stipend will be \$150.00 per month. If you and one or more dependents are covered by the insurance, then the maximum stipend will be \$260.00 per month. Refer to the table on the attached document *ASRS Retiree Health Insurance Premium Benefit Program* for details. Remember the stipend (the “premium benefit”) varies depending upon the number of years you have had as an active ASRS member, your age, and who else is covered by the insurance.

It takes ASRS, Conexis, TUSD, and the insurance companies about five months to get everything into place so that the subsidy can be applied. **Therefore, be prepared to pay the total cost of the insurance for four months.** Once all the processing has been completed, the stipend will kick in, and you will receive credit for whatever months of stipends had not been paid.

Example: You retire in September and end up paying the total cost of your insurance through the COBRA program for October, November, December, and January. You know that your insurance stipend is supposed to be \$150.00 per month. Finally, the stipend is in place for the February premium. Usually, in that fifth month, you will also be credited with the stipends for the previous four months as well.

COBRA coverage is specific to the insurance you have at the point of retiring. In order to qualify for the larger ASRS insurance stipend amount that is available when you include someone else on your insurance, you must have that person on the insurance before you retire (or separate) from TUSD. Otherwise, you could add dependents to the insurance during the next open enrollment, or you could enroll yourself and the person in some aspect of the ASRS insurance when you retire. Adding a dependent to your insurance coverage during the period of COBRA coverage would then qualify you for the higher insurance stipend.

At the end of the COBRA coverage period (usually 18 months), it might be beneficial for you to move to the ASRS dental insurance even if you don't pick up the ASRS medical insurance or ASRS Medicare supplement. That way you could at least apply the insurance stipend to the dental program provided by ASRS.