



## NOTIFICATION OF COBRA CONTINUATION COVERAGE RIGHTS

### INTRODUCTION

You are receiving this notice because you have recently become covered under the Northwest Hospital & Medical Center (NWHMC) Health Insurance Plans (“the Plans”). This notice contains important information about your right to COBRA continuation coverage, which is a temporary extension of coverage under the Plans. **This notice generally explains COBRA continuation coverage, when it may become available to you and your family, and what you need to do to protect the right to receive it.**

The right to COBRA continuation coverage was created by a federal law, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). COBRA continuation coverage can become available to you and to other members of your family who are covered under the Plans when you would otherwise lose your group health coverage. For additional information about your rights and obligations under the Plans and under federal law, you should review the Plan’s Summary Plan Description, or get a copy of the Plan Document from the Plan Administrator.

### COBRA CONTINUATION COVERAGE

COBRA continuation coverage is a continuation of Plan coverage when coverage would otherwise end because of a life event known as a “qualifying event.” Specific qualifying events are listed later in this notice. After a qualifying event, COBRA continuation must be offered to each person who is a “qualified beneficiary.” You, your spouse, and your dependent children could become qualified beneficiaries if coverage under the Plans is lost because of the qualifying event. Under the Plans, qualified beneficiaries who elect COBRA continuation coverage must pay for COBRA continuation coverage.

If you are an employee of NWHMC, you will become a qualified beneficiary if you will lose your coverage under the Plans because either one of the following qualifying events happens:

- Your hours of employment are reduced, or
- Your employment ends for any reason other than your gross misconduct.

If you are the spouse of an employee of NWHMC, you will become a qualified beneficiary if you will lose your coverage under the Plans because any of the following qualifying events happens:

- Your spouse dies;
- Your spouse’s hours of employment are reduced;
- Your spouse’s employment ends for any reason other than his or her gross misconduct;
- Your spouse becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- You become divorced or legally separated from your spouse.

Your dependent children will become qualified beneficiaries if they will lose coverage under the Plans because any of the following qualifying events happens:

- The parent-employee dies;
- The parent-employee’s hours of employment are reduced;
- The parent-employee’s employment ends for any reason other than his or her gross misconduct;
- The parent-employee becomes entitled to Medicare benefits (under Part A, Part B, or both); or
- The parents become divorced or legally separated; or

- The child stops being eligible for coverage under the plans as a “dependent child.”

You may also have health plan continuation rights under the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

Sometimes, filing a proceeding in bankruptcy under title 11 of the United States Code can be a qualifying event. If a proceeding in bankruptcy is filed with respect to NWHMC, and that bankruptcy results in the loss of coverage of any retired employee covered under the Plan, the retired employee is a qualified beneficiary with respect to the bankruptcy. The retired employee’s spouse, surviving spouse, and dependent children will also be qualified beneficiaries if bankruptcy results in the loss of coverage under the plans.

#### **WHEN IS COBRA COVERAGE AVAILABLE?**

The Plans will offer COBRA continuation coverage to qualified beneficiaries only after the Plan Administrator has been notified that a qualifying event has occurred. When the qualifying event is the end of employment or reduction of hours of employment, death of the employee, commencement of a proceeding in bankruptcy with respect to the employer, or the employee’s becoming entitled to Medicare benefits (under part A, Part B or both), the employer must notify the Plan Administrator of the qualifying event.

#### **YOU MUST GIVE NOTICE OF SOME QUALIFYING EVENTS**

For the other qualifying events (divorce or legal separation of the employee and spouse or a dependent child’s losing eligibility for coverage as a dependent child), you must notify the Plan Administrator within 60 days after the qualifying event occurs. You must provide this notice to:

Human Resources Benefits Department  
Northwest Hospital & Medical Center  
1550 North 115<sup>th</sup> Street, MS P-1  
Seattle, WA 98133

You will be required to provide information about the qualifying event to establish that the notification to the Plan Administrator has occurred within 60 days of the qualifying event. For example, in the event of divorce, or legal separation, documentation which includes the date the divorce, or legal separation, is effective must be provided.

#### **HOW IS COBRA COVERAGE PROVIDED**

Once the Plan Administrator receives notice that a qualifying event has occurred, COBRA continuation coverage will be offered to each of the qualified beneficiaries. Each qualified beneficiary will have an independent right to elect COBRA continuation coverage. Covered employees may elect COBRA continuation coverage on behalf of their spouses, and parents may elect COBRA continuation coverage on behalf of their children.

COBRA continuation coverage is a temporary continuation coverage. When the qualifying event is the death of the employee, the employee becoming entitled to Medicare benefits (under Part A, Part B or both), your divorce or legal separation, or a dependent child losing eligibility as a dependent child, COBRA continuation coverage lasts for up to 36 months.

When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, COBRA continuation coverage for qualified beneficiaries other than the employee lasts until 36 months after the date of Medicare entitlement. For example, if a covered employee becomes entitled to Medicare 8 months before the date on which his employment terminates, COBRA continuation coverage for his spouse and children can last up to 36 months after the date of Medicare entitlement, which is equal to 28 months after the date of the qualifying event (36 months minus 8 months). Otherwise, when the qualifying event is the end of employment or reduction of the employee's hours of employment, COBRA continuation coverage generally lasts for only up to a total of 18 months. There are two ways in which this 18 month period of COBRA continuation coverage can be extended.

#### **Disability extension of 18 month period of continuation coverage**

If you or anyone in your family covered under the Plan is determined by the Social Security Administration to be disabled and you notify the Plan Administrator in a timely fashion, you and your entire family may be entitled to receive up to an additional 11 months of COBRA continuation coverage, for a total maximum of 29 months. The disability would have to have started at some time before the 60<sup>th</sup> day of COBRA continuation coverage and must last at least until the end of the 18 month period of continuation coverage.

This notice should be sent to:

First Choice Health Administrators  
600 University Street, Suite 1400  
Seattle, WA 98101

#### **Second qualifying event extension of 18-month period of continuation coverage**

If your family experiences another qualifying event while receiving 18 months of COBRA continuation coverage, the spouse and dependent children in your family can get up to 18 additional months of COBRA continuation coverage, for a maximum of 36 months, if notice of the second qualifying event is properly given to the Plans. This extension may be available to the spouse and any dependent children receiving continuation coverage if the employee or former employee dies, becomes entitled to Medicare benefits (under Part A, Part B, or both), or gets divorced or legally separated, or if the dependent child stops being eligible under the Plan as a dependent child, but only if the event would have caused the spouse or dependent child to lose coverage under the Plans had the first qualifying event not occurred.

#### **IF YOU HAVE QUESTIONS**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the nearest Regional or District Office of the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through the EBSA's website.)

**KEEP YOUR PLAN INFORMED OF ADDRESS CHANGES**

In order to protect your family's rights, you should keep the Plan Administrator informed of any changes in the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

**PLAN CONTACT INFORMATION**

The Plan Administrator for the Northwest Hospital & Medical Center Medical Plans is:

Northwest Hospital & Medical Center  
1550 North 115<sup>th</sup> Street, MS P-1  
Seattle, WA 98133  
(206) 368-1106 voice  
(206) 368-1939 fax

COBRA continuation coverage for the Plans is administered by:

First Choice Health Administrators  
600 University Street, Suite 1400  
Seattle, WA 98101  
(206)268-2400

Information about the plan and COBRA continuation coverage can be obtained on request.