CONTINUATION OF HEALTH AND DENTAL INSURANCE
CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)
WISCONSIN INSURANCE EXTENSION LAW

A federal law provides for insurance "continuation coverage" in certain instances where coverage would otherwise end. Employees covered by the Madison Metropolitan School District health care, dental insurance and flexible spending plans have the right to choose to continue coverage if they would otherwise lose coverage due to a reduction in hours of employment or termination of employment (for reasons other than gross misconduct).

The spouse of an employee covered by the Madison Metropolitan School District health and/or dental insurance plans has the right to choose to continue coverage for self and dependents if coverage is lost for any of the following reasons:

1. The death of the spouse;
2. Termination of spouse's employment (for reasons other than gross misconduct) or a reduction in spouse's hours of employment;
3. Divorce or legal separation from spouse; or
4. Spouse becomes eligible for Medicare.

In the case of a dependent child of an employee covered by the Madison Metropolitan School District health care plan, s/he has the right to continue coverage if coverage is lost for any of the following reasons:

1. The death of a parent employed by the District;
2. Termination of the parent's employment (for reasons other than gross misconduct) or a reduction in the parent's hours of employment;
3. Parent's divorce or legal separation;
4. Parent becomes eligible for Medicare; or
5. The dependent ceases to be a dependent child under the Madison Metropolitan School District health care plan (some restrictions may apply).
Notification

According to federal law, the employee of a family member must inform the District's Benefits Office in writing within 60 days of a divorce, legal separation or of a child losing dependent status under the Madison Metropolitan School District health or dental insurance plans. The District's Benefits Office will assume responsibility for notification of the right to continue coverage when the employee's employment terminates, the employee's hours are reduced or the employee dies.

Once the Benefits Office is notified that one of these events has occurred, the employee will be provided with the form needed to notify the District that continuation coverage is needed. The Benefits Office must be notified that continuation coverage is needed within 60 days from the date the form is received.

If continuation coverage is not secured, group insurance benefits will end.

Period of Continuation Coverage

Eligible individuals may elect to continue coverage for a maximum of 18 months after a termination (for reasons other than gross misconduct) or reduction in hours (29 months if disabled). Continuation coverage may be received for up to 36 months for a spouse or dependent children due to the death of a spouse, divorce, legal separation or spouse's eligibility for Medicare.

Cost

Continuation coverage will include the same benefits and coverage as for District employees, but the entire premium, including the share previously contributed by the District, must be paid by the eligible individual on a monthly basis.

Continuation coverage may be cut short for any of the following four reasons:

1. The premium for continuation coverage is not paid within the grace period allowed;
2. The individual becomes covered under another employer-provided group health plan;
3. The individual becomes eligible for Medicare; or
4. The Madison Metropolitan School District no longer provides a group health plan to any of its employees.

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