



UNIVERSITY OF TEXAS SYSTEM COBRA CONTINUATION COVERAGE **ELECTION NOTICE**

THIS NOTICE CONTAINS IMPORTANT INFORMATION ABOUT: ADDITIONAL RIGHTS TO CONTINUE YOUR HEALTH CARE COVERAGE IN THE UNIVERSITY OF TEXAS (UT) SYSTEM GROUP MEDICAL, DENTAL, AND VISION PLANS (THE PLANS); YOUR RIGHT TO CONTINUE YOUR UT FLEX HEALTH CARE REIMBURSEMENT ACCOUNT, IF APPLICABLE; AND OTHER HEALTH COVERAGE ALTERNATIVES THAT MAY BE AVAILABLE TO YOU THROUGH THE HEALTH INSURANCE MARKETPLACE.

PLEASE REVIEW THIS NOTICE CAREFULLY.

You are receiving this notice because you have recently experienced a qualifying event for COBRA continuation coverage.

Depending on the nature of the qualifying event, the maximum period for COBRA continuation coverage can vary from 18 to 36 months for medical, dental, and vision coverage and may continue through the end of the plan year for an eligible UT FLEX Health Care Reimbursement Account (HCRA). This notice and the University of Texas System COBRA Applications contain additional details about the maximum continuation period for each type of qualifying event. Your continuation period begins on the effective date of your loss of coverage due to a COBRA qualifying event.

You may elect COBRA coverage under any of the qualifying UT Benefits Plans in which you were enrolled on the last day of your active coverage and you may similarly elect continuing coverage for any enrolled family members who were affected by the same loss of coverage. In general, you must submit your COBRA Application within 60 days of your loss of coverage in order to elect to continue your coverage.

Please see the enclosed rate information for details regarding the applicable COBRA premiums. You are not required to send payment with your COBRA Application, but it is recommended because your COBRA coverage will not begin until payment has been made. Your initial payment must be made to the plan administrator listed on the COBRA Application within 45 days of the election. **COBRA benefits cannot be accessed until the initial payment is received and processed.** Important additional information about payment for COBRA continuation coverage is included in this notice and on the application form.

There may be other coverage options for you and your family. You may be able to buy coverage through the Health Insurance Marketplace. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Being eligible for COBRA does not limit your eligibility for coverage or for a tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity for another group health plan for which you are eligible (such as a spouse's plan), even if the plan generally does not accept late enrollees, if you request enrollment within 30 days.

If you have any questions about your rights to COBRA continuation coverage, you should contact the Benefits Office at your former UT Institution. Please see the enclosed contact information for the various Benefits Offices at each UT Institution.

CONTACT INFORMATION FOR INSTITUTION BENEFITS OFFICES

UT Institution	Telephone Number
UT Arlington	(817) 272-5554
UT Austin	(512) 471-4772 or Toll Free: (800) 687-4178
UT Dallas	(972) 883-2221
UT El Paso	(915) 747-5202
UT Health Science Center Houston	(713) 500-3935
UT Health Science Center San Antonio	(210) 567-2600
UT Health Science Center Tyler	(903) 877-7784
UT MD Anderson Cancer Center <i>*Employees should refer to Intranet site.</i>	(713) 745-6947
UT Medical Branch Galveston	(409) 772-2630, Option '0' or Toll Free (866) 996-8862
UT Permian Basin	(432) 552-2752
UT Rio Grande Valley	Brownsville: (956) 882-8205 Edinburg: (956) 665-2451 Harlingen: (956) 365-8773
UT San Antonio	(210) 458-4250
UT Southwestern	(214) 648-9830
UT System Administration	(512) 499-4587
UT Tyler	(903) 566-7234

COBRA PREMIUM RATE INFORMATION FOR PLAN YEAR 2020-2021

	Subscriber	Subscriber & Spouse	Subscriber & Child(ren)	Subscriber & Family
UT SELECT Medical	\$ 636.48	\$ 1248.09	\$ 1139.81	\$ 1732.31
UT CONNECT Medical (DFW area only)	\$ 636.48	\$ 1220.51	\$ 1110.96	\$ 1677.98
UT SELECT Dental	\$ 29.09	\$ 55.22	\$ 60.85	\$ 86.54
UT SELECT Dental Plus	\$ 62.63	\$ 118.93	\$ 131.23	\$ 186.97
Dental HMO	\$ 8.98	\$ 17.07	\$ 18.87	\$ 26.93
Vision	\$ 6.02	\$ 9.49	\$ 9.71	\$ 15.40
Vision Plus	\$ 9.18	\$ 14.36	\$ 15.38	\$ 21.73

Important Information about Your COBRA Continuation Coverage Rights

What is continuation coverage?

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. Depending on the type of qualifying event, “qualified beneficiaries” can include the employee (or retired employee) covered under the group health plan, the covered employee’s spouse, and the dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including annual enrollment and special enrollment rights.

How long will continuation coverage last?

For medical, dental, and vision coverage:

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued for up to a total of 18 months. In the case of losses of coverage due to an employee’s death, divorce or legal separation, the employee’s becoming entitled to Medicare benefits or a dependent child ceasing to be a dependent under the terms of the plan, coverage may be continued for up to a total of 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. The COBRA Application shows the maximum period of continuation coverage available to the qualified beneficiaries.

Continuation coverage will be terminated before the end of the maximum period if:

- any required premium is not paid in full on time,
- a qualified beneficiary becomes covered, after electing continuation coverage, under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified beneficiary (note: there are limitations on plans’ imposing a preexisting condition exclusion and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act),
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
- the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason that would result in the termination of coverage of a participant or beneficiary under the Plans who is not receiving continuation coverage (such as fraud).

For UT FLEX Health Care Reimbursement Accounts (HCRAs):

Employees experiencing a qualifying event may elect to continue an eligible UT FLEX HCRA through the end of the plan year for which the account was originally elected by making after tax monthly contributions to the account. Only UT FLEX HCRAs with a remaining balance at the time of your qualifying event that is equal to or greater than the total of all required monthly contributions for the rest of the plan year are eligible for continuation.

How can you extend the length of COBRA continuation coverage?

If you elect continuation coverage, an extension of the maximum period of coverage for medical, dental, and vision coverage may be available as described in the following two paragraphs if a qualified beneficiary is disabled or if a second qualifying event occurs during the continuation period. You must notify the plan administrator of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide timely notice of a disability or second qualifying event may affect the right to extend the period of continuation coverage.

Disability

An 11-month extension of medical, dental, and vision COBRA coverage may be available if any of the qualified beneficiaries is determined by the Social Security Administration (SSA) to be disabled. The disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage. A copy of your SSA disability determination letter along with a written request to extend the COBRA period must be provided directly to the plan administrator prior to the end of the initial 18-month period of coverage in order to extend the maximum period for medical, dental and/or vision coverage. Each qualified beneficiary who has elected continuation coverage will be entitled to the 11-month disability extension if one of them qualifies. If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify the Plan of that fact within 30 days after SSA's determination.

Second Qualifying Event

An additional 18-month extension of medical, dental, and vision coverage may be available to spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage. The maximum total period of continuation coverage available when a second qualifying event occurs is 36 months. Second qualifying events may include the death of a covered employee, divorce or separation from the covered employee, the covered employee's becoming entitled to Medicare benefits (under Part A, Part B, or both), or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. These events can be a second qualifying event only if they would have caused the qualified beneficiary to lose coverage under the Plan if the first qualifying event had not occurred. You must notify the Plan within 60 days after a second qualifying event occurs if you want to extend your continuation coverage.

Are there other coverage options besides COBRA Continuation Coverage?

Yes. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, 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 can learn more about many of these options at www.healthcare.gov, including whether you qualify for free or low-cost coverage from Medicaid (www.healthcare.gov/do-i-qualify-for-medicaid) or the Children's Health Insurance Program (CHIP) (www.healthcare.gov/are-my-children-eligible-for-chip).

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a "special enrollment" event. After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away. In addition, during what is called an "open enrollment" period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.healthcare.gov.

If I sign up for COBRA continuation coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA continuation coverage?

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a "special enrollment period." But be careful though - if you terminate your COBRA continuation coverage early without another qualifying event, you'll have to wait to enroll in Marketplace coverage until the next open enrollment period and could end up without any health coverage in the interim.

Once you've exhausted your COBRA continuation coverage and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage once your election period ends.

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA continuation coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA continuation coverage.

Can I enroll in Medicare instead of COBRA continuation coverage after my group health plan coverage ends?

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.

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA will pay second. Certain COBRA continuation coverage plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

For more information visit www.medicare.gov/medicare-and-you.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- **Drug Formularies:** If you're currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.

¹ 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).

- Service Areas: Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- Other Cost-Sharing: In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

How can you elect COBRA continuation coverage?

To elect continuation coverage, you must complete a COBRA Application and return it to the plan administrator at the address listed on the form (generally within 60 days of the loss of coverage). Each qualified beneficiary for medical, dental and vision coverage has a separate right to elect continuation coverage. For example, the employee's spouse may elect continuation coverage even if the employee does not. Continuation coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to continue coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all of the qualified beneficiaries.

In considering whether to elect continuation coverage, you should take into account that you have special enrollment rights under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage, if you get continuation coverage for the maximum time available to you.

How much does COBRA continuation coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required premium payment amount for each continuation coverage period for each plan option is noted on the COBRA application and has been included with this notice. For UT FLEX HCRAs, the monthly contribution for continuation will be an amount equal to 102% of the monthly contribution amount in effect at the time of the qualifying event.

When and how must payment for COBRA continuation coverage be made?

First payment for continuation coverage

If you elect continuation coverage, you do not have to send any payment with the Application Form. However, you must make your first payment for continuation coverage to the plan administrator no later than 45 days after the date of your election. (This is the date the Application is post-marked, if mailed.) **Benefits cannot be accessed until the initial payment is received and processed.** If you fail to make your first payment for continuation coverage in full not later than 45 days after the date of your election, you will lose all continuation coverage rights under the Plans. You are responsible for making sure that the amount of your first payment is correct. You may contact the plan administrator using the contact information on the application form to confirm the correct amount of your first payment.

Periodic payments for continuation coverage

After you make your first payment for continuation coverage, you will be required to make periodic payments for each subsequent coverage period. The amount due for each coverage period for each level of coverage is shown separately in this notice. If you make a periodic payment by the due date, coverage under the Plans will continue for each coverage period without any break. If payment is not received by the due date, coverage will be temporarily suspended until premium is paid. If payment is received prior to the end of the grace period, coverage will be reinstated once payment has been processed. The Plan Administrator will notify you of payments due for each coverage period.

Grace periods for periodic payments

Although periodic payments are due on particular dates as billed, you are entitled to a grace period of 30 days after the first day of the coverage period to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. However, until payment for the period is received and processed by the plan administrator, coverage may be temporarily suspended and benefits may not be accessible during a particular period.

If you fail to make the full periodic payment before the end of the grace period for a particular coverage period, you will lose all rights to continuation coverage under the Plan. Your first payment and all periodic payments for continuation coverage should be sent to the plan administrator as noted on the application form.

For more information

This notice does not fully describe continuation coverage or other rights under the UT Benefits Plans. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the plan administrator.

If you have any questions concerning the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, you should contact the Benefits Office at the UT Institution where you (or your family member) were employed. Contact information for each UT institution's Benefits Office is included with this notice.

Employees seeking more information about COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, can contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) at 1-866-444-3272 or visit the EBSA website at www.dol.gov/ebsa. For more information about health insurance options available through a Health Insurance Marketplace, visit www.healthcare.gov.

Federally required notices applicable to your health insurance are available on the Office of Employee Benefits' website: www.utsystem.edu/offices/employee-benefits.

Keep Your Plan Informed of Address Changes

In order to protect your and your family's rights, you should keep the plan administrator informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any forms or notices that you send to the plan administrator.