



COBRA / CalCOBRA / HIPAA ADMINISTRATION

Federal and State Cobra will be administered by SISC effective 10-1-2018

COBRA (Consolidated Omnibus Budget Reconciliation Act) and HIPAA (Health Insurance Portability and Accountability Act) are federal laws; CalCOBRA is a state law that offers an additional 18 months of benefits after Federal COBRA has been exhausted.

WHAT IS COBRA?

COBRA is temporary group health benefits the employee and his/her family can enroll in after losing coverage through their district. Coverage period is up to 18 months and not to exceed 36 months depending on the qualifying event. Members will be offered the same benefit plan they were enrolled in prior to losing coverage.

WHAT IS THE COST OF COBRA?

The cost of COBRA is the same premium charged to the district for the plan that the member was enrolled in prior to losing coverage, plus a 2% administration fee for Federal COBRA and 10% administration fee for State Continuation (CalCOBRA). The administrative fee is established according to COBRA Law. *The applicable premium is the cost to the plan for a period of coverage for similarly situated beneficiaries with respect to whom a qualifying event has not occurred.* (See Code Section 4980B(f)(4)(A), ¶ 1620)

WHO ADMINISTERS COBRA?

SISC will administer COBRA and CalCOBRA for district benefits offered through SISC at no additional cost for SISC III Member Districts.

DISTRICTS THAT ADMINISTER THEIR OWN COBRA BENEFITS:

Districts that administer their own COBRA benefits are responsible for all administrative functions associated with COBRA pursuant to federal guidelines.

HOW DO WE REPORT ACTIVITY TO SISC IF WE ADMINISTER OUR OWN COBRA?

Please refer to the "Reporting & Procedures" section of this manual.

DISTRICT RESPONSIBILITY REGARDLESS OF WHO ADMINISTERS COBRA BENEFITS:

The initial COBRA/Cal COBRA notice must be sent upon commencement of coverage by first class mail and addressed to the employee. If the employee is married, the notice must be addressed to the employee and the employee's spouse/domestic partner. If the covered employee adds the spouse/domestic partner to coverage subsequent to the employee's initial enrollment, the notice must be sent to the spouse/domestic partner upon commencement of the spouse/domestic partner's coverage.

It is also the district's responsibility to send the initial HIPAA notice; this notice must be given to all employees who are eligible for coverage---even employees who may decline coverage (i.e. 50% employee). HIPAA requirements may be satisfied with the Declination of Coverage form. Declination of Coverage forms may be found on the SISC secure web portal (HealthX) at <https://secure.healthx.com/sisc.aspx>

SISC RESPONSIBILITY:

Once an employee and/or dependent lose coverage, SISC prepares and mails the COBRA 14-day notification to the qualified beneficiary's last known address. The 14-day notification includes information and rates on all of the products the qualified beneficiary is enrolled in through SISC immediately preceding the qualifying event (loss of coverage). SISC will also bill, collect monthly premium and notify members enrolling in COBRA of any benefit changes.

District activity must be reported by the 15th of each month to meet the COBRA notification requirements. If an employee or qualified beneficiary inquires about a product that is not offered through SISC, we will direct them back to the district for rates and enrollment information on that product.

SISC Contact for Cobra Questions and Issues: Hilda Tapia (661) 636-4214