



**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).

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. This notice and the University of Texas System COBRA Application each 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 any payment with the COBRA Application, but payment must be made to the appropriate plan administrator as listed on the form within 45 days of the election. **Benefits cannot be accessed until the initial payment is received and processed.** Important additional information about payment for COBRA continuation coverage is included on the form.

If you have any questions about this notice or 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**

<b>UT Institution</b>	<b>Telephone Number</b>
UT Arlington	(817) 272-5554 or (817) 272-5558
UT Austin	(512) 471-4772 or Toll Free: (800) 687-4178
UT Brownsville	(956) 882-8205
UT Dallas	(972) 883-2221
UT El Paso	(915) 747-5202
UT Health Science Center at Tyler	(903) 877-7784
UT Health Science Center Houston	(713) 500-3960
UT Health Science Center San Antonio	(210) 567-2600
UT MD Anderson Cancer Center <small>*Employees should refer to Intranet site.</small>	(713) 745-6947
UT Medical Branch Galveston	(409) 772-2630, Option '0' or Toll Free (866) 996-8862
UT Pan American	(956) 381-2451
UT Permian Basin	(915) 552-2751
UT San Antonio	(210) 458-4250
UT Southwestern	(214) 648-9830
UT System Administration	(512) 499-4660
UT Tyler	(903) 566-7358

**COBRA PREMIUM RATE INFORMATION  
FOR PLAN YEAR 2011-2012**

<b>COBRA Plan</b>	<b>Coverage Level</b>	<b>Total Premium</b>
<b>UT SELECT Medical</b>	Subscriber	\$ 468.39
	Subscriber and Spouse	\$ 918.56
	Subscriber and Children	\$ 838.35
	Subscriber and Family	\$ 1,274.95
<b>UT SELECT Dental</b>	Subscriber	\$ 31.48
	Subscriber and Spouse	\$ 59.75
	Subscriber and Children	\$ 65.86
	Subscriber and Family	\$ 93.65
<b>Assurant Dental</b>	Subscriber	\$ 10.25
	Subscriber and Spouse	\$ 19.48
	Subscriber and Children	\$ 21.53
	Subscriber and Family	\$ 30.75
<b>Superior Vision</b>	Subscriber	\$ 6.94
	Subscriber and Spouse	\$ 10.98
	Subscriber and Children	\$ 11.18
	Subscriber and Family	\$ 17.75

# 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?

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued only 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,
- 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).

## How can you extend the length of COBRA continuation coverage?

If you elect continuation coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify each specific plan administrator of a disability or a second qualifying event in order to extend the period of continuation coverage. Failure to provide 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 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 each specific plan administrator (medical, dental, and/or vision) prior to the end of the initial 18-month period of coverage in order to extend the maximum period. 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 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.

### **How can you elect COBRA continuation coverage?**

To elect continuation coverage, you must complete the COBRA Application and return it to the appropriate plan administrator at the address listed on the form (generally within 60 days of the loss of coverage). Each qualified beneficiary 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 a failure to continue your group health coverage will affect your future rights under Federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have a 63-day gap in health coverage, and election of continuation coverage may help prevent such a gap. Second, you may lose the guaranteed right to purchase individual health coverage that does not impose a pre-existing condition exclusion if you do not elect 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.

### **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 not 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 appropriate 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. The Plans 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, 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 appropriate 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.

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](http://www.dol.gov/ebsa). State and local government employees should contact HHS-CMS by visiting [www.cms.hhs.gov/COBRAContinuationofCov/](http://www.cms.hhs.gov/COBRAContinuationofCov/) or by emailing [NewCobraRights@cms.hhs.gov](mailto:NewCobraRights@cms.hhs.gov).

### **Keep Your Plan Informed of Address Changes**

In order to protect your and your family's rights, you should keep Plan Administrators 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.