

To: **The Family of** \_\_\_\_\_  
EMPLOYEES NAME

### **NOTICE OF RIGHTS TO CONTINUE COVERAGE**

On April 7, 1986, a federal law was enacted [Public Law 99-272, Title X] requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the new law. [***BOTH YOU AND YOUR SPOUSE SHOULD TAKE THE TIME TO READ THIS NOTICE CAREFULLY.***]

If you are an employee of the State of New Mexico covered by Blue Cross & Blue Shield, Presbyterian or Cigna Health Plan, Delta Dental, or Vision Service Plan (VSP) you have the right to choose this continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part)

If you are the spouse of an employee of the State of New Mexico covered by Blue Cross & Blue Shield, Presbyterian or Cigna Health Plan, Delta Dental, or Vision Service Plan (VSP), you have the right to choose continuation coverage for yourself if you lose group health coverage for any of the following four reasons:

1. The death of your spouse;
2. A termination of your spouse's employment (for reason other than gross misconduct) or reduction in your spouse's hours of employment;
3. Divorce or legal separation from your spouse; or
4. Your spouse becomes entitled to Medicare.

In the case of a dependent child of an employee covered by Blue Cross & Blue Shield, Presbyterian or Cigna Health Plan, Delta Dental, or Vision Service Plan (VSP), he or she has the right to continuation coverage if group health coverage under any of the plans is lost for any of the following five reasons:

1. The death of a parent;
2. A termination of parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with The State of New Mexico
3. Parent's divorce or legal separation.
4. A parent becomes entitled to Medicare; or
5. The dependent child ceases to be a "***dependent child***" under the State of New Mexico eligibility rules.

Under the law, **the employee or a family member** has the responsibility to inform the Human Resources Department or your agency group representative with the State of New Mexico if a divorce, legal separation, or a child losing dependent status under the State of New Mexico, within 60 days of the date of the event or the date in which coverage would end under the plan because of the event, whichever is later. The State of New Mexico has the responsibility to notify the Plan Administrator of the employee's death, termination, and reduction in hours of employment or Medicare entitlement.

When the Plan Administrator is notified that one of these events has happened, the Plan Administrator will in turn notify you that you have the right to choose continuation coverage. Under the law, you have at least 60 days from the date you would lose coverage because of one of the events described above, or the date notice of your election rights is sent you, whichever is later, to inform the Plan Administrator that you want continuation coverage.

If you do not choose continuation coverage, your group health insurance will end.

If you choose continuation coverage, the State of New Mexico is required to give you coverage which, as of the time coverage is being provided, is identical to the coverage provided under the plan to similarly situated employees or family members. The new law requires that you be afforded the opportunity to maintain continuation coverage for three years unless you lost group health employment because of termination of employment or a reduction in hours. In that case, the required continuation coverage period is 18 months. This 18 months may be extended to 36 months if other events (such as death, divorce, legal separation, or Medicare entitlement) occur during the 18-month period.

The 18 months may be extended to 29 months if an individual is determined (under Title II or XVI of the Social Security Act) to be disabled and the Plan Administrator is notified of that determination within 60 days. The affected individual must also notify the Plan Administrator within 30 days of any final determination that the individual is no longer disabled. In no event will continuation coverage last beyond 3 years from the date of the event that originally made a qualifying beneficiary eligible to elect coverage.

However, the law also provides that your continuation coverage may be terminated for any of the following reasons:

1. The State of New Mexico no longer provides group health coverage to any of its employees
2. The premium for you contribution coverage is not paid on time;
3. You become covered by another group plan, unless the plan contains any exclusions or limitations with respect to any pre-existing condition you or your covered dependents may have;
4. You become entitled to Medicare;
5. You extend coverage for up to 29 months due to your disability and there has been a final determination that you are no longer disabled.

You do not have to show that you are insurable to choose continuation coverage. However, under the law, you may have to pay all or part of the premium for you continuation coverage. There is a grace period of at least 30 days for payment of the regularly scheduled premium. **Any attempt to make payment after the expiration of the 30-day grace period will not be accepted. Failure to make premium payment prior to the expiration of the 30-day grace period will terminate your participation in the Health Benefits Continuation Plan.**

This law applies to Blue Cross & Blue Shield, Presbyterian or Cigna Health Plan, Delta Dental, or Vision Service Plan (VSP) beginning on July 1, 2000 under Section 10002(d) of COBRA.

If you have any questions about the law please contact the Risk Management Division COBRA unit 1100 St. Francis Drive Room 2073 Santa Fe, NM 87502. Also if you have changed marital status, or you or your spouse have changed addresses, please notify your agency group representative or Human Resources Department.