

HR Manual

Section: Benefits

Policy Number: 100

**BENEFITS CONTINUATION (COBRA)**

**Objective:** To outline the guidelines under which employees and/or their dependents may be eligible for the continuation of Health, Dental, Vision, or Flexible Spending Accounts (FSA) insurance coverage’s should they become ineligible to continue under Covenant’s group contract terms.

**Scope:** Employees and/or their dependents who are covered under Covenant’s Health, Dental, Vision, and/or Flexible Spending Accounts (FSA) Insurance program(s) are eligible to elect continuation of those benefits as specified in the Consolidated Omnibus Budget Reconciliation Act (COBRA)

**Policy:** Employees and/or their dependents who are covered under Covenant’s Health, Dental, Vision, and/or Flexible Spending Accounts (FSA) Insurance program(s) are eligible to elect continuation of those benefits as specified in the Consolidated Omnibus Budget Reconciliation Act (COBRA) should coverage be terminated for reasons other than gross misconduct or termination of the group contract.

Employees and/or their dependents who elect continuation of Health, Dental, Vision, and/or Flexible Spending Accounts (FSA) coverage’s will pay 100% of the premium charged to Covenant, plus a 2% administrative fee.

**Provisions:** Human Resources will automatically notify Covenant’s COBRA Administrator who will, in turn, notify employees when employees or their dependents qualify for health/dental/vision/FSA insurance coverage continuation via a self-pay basis.

 Benefit continuation coverage is generally limited to 18 months, but may extend to 36 months in specific situations.

 Payment for benefit continuation coverage must be received by Covenant’s COBRA Administrator by the specified due date as indicated by Covenant’s COBRA Administrator for the upcoming month’s coverage. If payment is not received by this date, coverage will automatically be terminated.

 Payment must be in the form of a check or money order payable to Covenant HealthCare. Cash cannot be accepted.

 Employees and/or their dependents that have questions or concerns regarding benefit continuation coverage are encouraged to contact Human Resources.

 Benefit terminations are determined based on employees’ termination date or change in employment status. For an employee’s separation in employment, benefits will cease on the date of termination; for an employee’s change in employment status (benefit eligible to non-benefit eligible), benefits will cease on the end of the month in which the employment status is effective.

 Termination of employee benefits, medical, dental and or vision will be determined by the employee’s date of termination. If the termination date falls between the 1st day through the 7th day of the pay period, there will not be a deduction for the benefits; the 8th day through the 14th day of the pay period there will be a deduction.

**Approvals:**

Vacant

**Director Human Resources Date**

**Kevin Birchmeier, Vice President Human Resources Date**