






POLICY AND PROCEDURE STATEMENT

SUBJECT HOSPITALIZATION COVERAGE FOLLOWING SEPARATION	PAGE 1 OF 3	DATE EFFECTIVE OCTOBER 1, 2018		
SECTION/POLICY NO. 4.06	APPROVED BY  MAYOR	SUPERSEDES NEW		
PREPARED BY VILLAGE ADMINISTRATOR	 VILLAGE ADMINISTRATOR	APPROVAL DATE	ISSUE DATE 12/31/2017	REVIEW DATE
REFERENCE CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT OF 1985 (COBRA)	 PERSONNEL/BENEFIT COMMITTEE	DISTRIBUTION LIST WEBSITE, MAYOR, COUNCIL CLERK- TREASURER, AND VILLAGE EMPLOYEES		

SCOPE

- I. This Policy applies to Ashville Personnel, Ashville Government, and Contract Staff.

POLICY:

- I. The Village of Ashville will follow all applicable laws for medical coverage following separation of employment.

PURPOSE:

- I. To meet all federal, state, local and administrative rules.

PROCEDURE

Federal Required Continuation of Hospitalization Coverage

1. Employees who separate from the Village and/or their spouses and children may be eligible for continuation of hospitalization coverage, at their own expense, as described in this policy. The same hospitalization coverage shall continue for eligible employees/individuals under this policy as is provided to other employees who maintain employment, with the Village.
2. Employees spouses and dependent children who are covered under the Village's hospitalization plan shall be offered the opportunity to continue hospitalization coverage according to the following schedule:
 - a. An employee who is terminated (other than by discharge for gross misconduct) shall be eligible to purchase hospitalization coverage for up to eighteen (18) months following the termination.
 - b. An employee whose total hours worked are reduced by the Employer, which reduction causes him to be ineligible for continued hospitalization coverage, shall be eligible to purchase hospitalization coverage for up to 18 months following such reduction.
 - c. The spouse and dependent children of an employee shall be eligible to purchase hospitalization coverage for up to 36 months when the employee:
 - i. Dies,
 - ii. Would otherwise lose coverage due to termination and/or reduction as described in items 2a and 2b, above.

- d. The spouse and/or dependent children shall be eligible to purchase hospitalization coverage for up to thirty-six (36) months separation.
 - i. The spouse and dependents would lose eligibility for continued coverage due to divorce or legal separation,
 - ii. The dependent child would otherwise lose coverage by ceasing to satisfy the plan's coverage requirements applicable to dependent children.
3. Employees who are terminated or reduced and spouses and dependent children shall be notified by the Plan Administrator/Fiscal Officer of the provisions of this policy as follows:
 - i. Each covered employee shall be provided a notice of this policy and the provisions within it. Thereafter, each employee shall be notified of this policy at the time they begin coverage under the Village's hospitalization plan.
 - ii. The spouses of all covered employees shall be mailed a notice of this policy and the provisions within it. Thereafter, spouses shall be notified of this policy at the time family or spouse coverage begins under the Village's hospitalization plan.
4. The Appointing Authority shall notify the Plan Administrator/Fiscal Officer of any event which might trigger the employee, spouse or dependent children continuation coverage under this plan. Notification of such triggering events shall be made within thirty (30) days of the event and shall include:
 - i. Employee's death,
 - ii. Termination,
 - iii. Hour reduction causing ineligibility for continued participation,
 - iv. The fact that the employee has become eligible for Medicare, and
 - v. Any event which would require the employee and/or spouse to lose existing benefits due to employee becoming inactive on payroll.
5. The designated Plan Administrators for the Village of Ashville shall be the Fiscal Officer and/or their designee. When notified of the triggering event, the Plan Administrator shall notify the individual(s) who are eligible for continued hospitalization plan coverage of their rights and obligations under this policy within fourteen (14) days of receipt of the notice from the Appointing Authority/employee. The notice shall contain a final date by which the employee, spouse, or dependent child must respond to the notice.
6. The eligible employee/individual shall notify the Plan Administrator of their decision to continue/not continue coverage within sixty (60) days of the triggering event. If an eligible separated employee does not elect continuation coverage, dependents may elect such coverage. Each qualified beneficiary is entitled to a separate election of continuation coverage. Furthermore, if options of plan coverage are available, dependents may select a coverage different from that selected by the separated employee.
7. As used in this policy, termination shall include any separation from employment, except those instances where an employee has been separated for acts of gross misconduct, but including layoff, resignation, voluntary/ involuntary leave without pay, discharge, and any other termination which results in the employee's ineligibility for continued hospitalization benefits.
8. Employees who are separated under ORC Section 124.34 for gross misconduct are not normally eligible for continuation of hospitalization plan coverage.
9. An employee, spouse or dependent child who elects for continued hospitalization coverage shall only be eligible until the earliest date that any of the following actions occur:

- i. Coverage expires either eighteen (18) or thirty-six (36) months after the triggering event, and includes triggering events which would extend coverage from eighteen (18) to thirty-six (36) months (refer to paragraph K).
 - ii. The group health care plan is terminated.
 - iii. The individual fails to timely pay the required premium.
 - iv. The employee, spouse or dependent becomes covered under another group health care plan (as an employee or otherwise).
 - v. The employee becomes eligible for Medicare benefits.
10. Any person who is eligible and elects for continuing hospitalization coverage shall pay the total premium for themselves and any other dependents.

Payments of premiums by eligible employees/dependents must be made by the eligible employee/spouse to the Village Fiscal Officer in accordance with the instructions contained in the notification letter in order for coverage to be extended. Should the payment not be received as instructed the former employee or dependent will be deemed to have chosen to discontinue their insurance coverage.

11. The Village shall notify the Plan Administrator of any plan modifications. Plan modifications shall apply to qualified beneficiaries/employees who have chosen to continue coverage as well as active employees.
12. Qualified beneficiaries on continuation coverage due to a termination of employment or reduction in wages may extend the period of continuation due to occurrence of another qualifying event. The second qualifying event may occur during the period of coverage following the initial qualifying event. For example, if the qualifying event is termination of employment or reduction of hours (resulting in an eighteen (18) month maximum period of continuation), then the occurrence of another qualifying event during that eighteen (18) month period will permit the qualified beneficiary to continue coverage for up to 36 months after the first qualifying event.

However, in no event may the coverage period, with respect to both such events, exceed a thirty-six (36) month period. The second qualifying event must take place during the period of coverage following the first qualifying event if the beneficiary is to be entitled to a maximum of thirty-six (36) months of continuation coverage.

Note that "stacking" cannot apply to a terminated employee. Rather, it would apply to that employee's spouse and/or children if, during the continuation period based on termination of employment (or reduction in hours), any of the following occur: (1) the employee dies, (2) if this here was a divorce, (3) if the child ceased to be a dependent either through marriage or by reaching the limiting age.

13. Each employee shall be responsible for notifying the Plan Administrator of any action which might trigger a spouse or dependent child's continued eligibility under this policy. Such notice shall be made by the employee or qualified beneficiary immediately upon gaining knowledge of the event, but in no instance later than sixty (60) days after the date of the triggering event.

Such events shall include divorce, legal separation, or loss of dependent eligibility under the Village's plan. Failure to give such notice as stipulated will result in the ineligibility of the qualified beneficiary for continuation coverage.