

RESOLUTION 98-3

VERY IMPORTANT NOTICE

On April 7, 1986, a new 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. "Continuation coverage" is offered 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 Pawnee County covered by Pawnee County Employees Health Plan you have a 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 a retiree of Pawnee County covered by Pawnee County Employees Health Plan you have a right to choose this "continuation coverage" if you lose your group health coverage because of a proceeding in bankruptcy by your employer.

If you are a spouse of an employee covered by Pawnee County Employees Health Plan, you have the right to choose "continuation coverage" for yourself if you lose group health coverage under Pawnee County Employees Health Plan for any of the following reasons:

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

In the case of a dependent child of an employee covered by Pawnee County Employees Health Plan, he or she has the right to "continuation coverage" if group health coverage under Pawnee County Employees Health Plan is lost for any of the following reasons:

1. The death of a parent;
2. The termination of a parent's employment (for reasons other than gross misconduct) or reduction in a parent's hours of employment with Pawnee County;
3. Parents' divorce or legal separation;
4. A parent becomes eligible for Medicare; or
5. The dependent ceases to qualify as a dependent child under Pawnee County Employees Health Plan.

Under the new law, the employee or a family member has the responsibility to inform Pawnee County Clerk of a divorce, legal separation, or a child losing dependent status under Pawnee County Employees Health Plan.

(continued)

Pawnee County Department Head has the responsibility to notify Pawnee County Clerk of the employee's death, termination of employment or reduction in hours, or Medicare eligibility.

When Pawnee County Clerk is notified that one of these events has happened, Pawnee County Clerk will in turn notify you that you have the right to choose "continuation coverage". Under the new law, you have at least 60 days from the date you would lose coverage because of one of the events described above to inform Pawnee County Clerk that you want "continuation coverage".

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

If you choose "continuation coverage", Pawnee County 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 coverage because of a termination of employment or reduction in hours. In that case, the required "continuation coverage" period is 18 months. However, the new law also provides that your "continuation coverage" may be cut short for any of the following reasons:


1. Pawnee County no longer provides group health coverage to any of its employees;
2. The premium for your "continuation coverage" is not paid;
3. You become an employee covered under another group health plan under which you are not subject to limitations or elimination of coverage due to pre-existing health conditions;
4. You become eligible for Medicare;
5. You were divorced from a covered employee and subsequently remarry and are covered under your new spouse's group health plan.

You do not have to show that you are insurable to choose "continuation coverage". However, under the new law, you may have to pay all or part of the premium for your "continuation coverage". The new law also says that, at the end of the 18-month or three-year "continuation coverage" period, you must be allowed to enroll in an individual conversion health plan provided under Pawnee County Employees Health Plan.

This new law applies to Pawnee County Employees Health Plan beginning on July 1, 1996. If you have any questions about the new law, please contact Pawnee County Clerk, 715 Broadway, Lamed, Ks 67550 (316) 285-3721. Also, if you have changed marital status, or you or your spouse have changed your address, please notify Pawnee County Clerk at the above address.


Adopted, March 2, 1998.

Attest:


Ruth M. Sealight
County Clerk


Vern Steffen, Chair


Kathy Bowman


Donna Pelton