

**Self Insurance Pool of Greater Kansas City, Inc.
Blue Springs R-IV School District**

**COBRA Election Notice
(36-Month Qualifying Event)**

Important Information: COBRA Continuation Coverage and Other Health Coverage Alternatives

[Enter Date of Notice]

Dear [Enter Name of Participant]:

This notice has important information about your right to continue your health care coverage in the Self Insurance Pool of Greater Kansas City, Inc., (the “Plan”), as well as other health coverage alternatives that may be available to you, including coverage through the Health Insurance Marketplace at www.HealthCare.gov or 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. Please read the information in this notice very carefully before you make your decision. We use the pronoun “you” in this notice (including in the enclosed Election Form) to refer to each of the individual addressees named above.

If you choose to elect COBRA, you should use the enclosed Election Form and submit it to **COBRA Administrator at the Fullerton CPAs, 2001 NW Jefferson Street, Blue Springs, MO 64015**, following the instructions at the top of the Election Form.

Why am I getting this Notice?

You’re getting this notice because your coverage under the Plan ends effective **[insert date]** due to:

- Death of employee on **[insert date]**
- Divorce or legal separation
- Loss of dependent child status

The event designated above that caused you to lose coverage under the Plan, is called your “Qualifying Event” in this notice, and the date of that event shown above is the date of your Qualifying Event.

Federal law requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care coverage through COBRA coverage when there’s a “Qualifying Event” that would result in a loss of coverage under an employer’s plan.

What is COBRA Coverage?

COBRA coverage is the same coverage that the Plan gives to other participants or beneficiaries who aren't getting COBRA coverage. Each "Qualified Beneficiary" (described below) who elects COBRA will have the same rights under the Plan as other participants or beneficiaries covered under the component or components of the Plan elected by the Qualified Beneficiary, including open enrollment and special enrollment rights. (Certain newborns, newly adopted children, and alternate recipients under QMCSOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.)

COBRA (and the description of COBRA coverage contained in this notice) applies only to the group health benefits offered under the Plan (the Medical, Dental, and Health FSA components) and not to any other benefits offered under the Plan or by the **Self Insurance Pool of Greater Kansas City, Inc.**

The Plan provides no greater COBRA rights than what COBRA requires – nothing in this notice is intended to expand your rights beyond COBRA's requirements.

Who are the Qualified Beneficiaries?

Each person ("Qualified Beneficiary") in the category(ies) checked below can elect COBRA under one or more of the group health components of the Plan specified below.

- Spouse or former spouse: _____
- Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage: _____
- Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan

More information about individuals who may be qualified beneficiaries

Children born to or placed for adoption with the covered employee during COBRA coverage period.

A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a Qualified Beneficiary provided that, if the covered employee is a Qualified Beneficiary, the covered employee has elected COBRA coverage for himself or herself. The child's COBRA coverage begins when the child is enrolled in the Plan, whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan, the child must satisfy the otherwise applicable Plan eligibility requirements (for example, regarding age).

Alternate recipients under QMCSOs

A child of the covered employee who is receiving benefits under the Plan pursuant to a Qualified Medical Child Support Order (QMCSO) received by the Blue Springs R-IV School District during the covered employee's period of employment with the Blue Springs R-IV School District is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

How much does COBRA coverage cost?

The current monthly cost of your COBRA coverage is as follows. (Note that these amounts will change in the future and will most likely be higher than they are now. You will be notified of COBRA premium changes.)

- Medical -
- Dental -
- Health FSA –
- Vision -

Other coverage options may cost less. If you choose to elect COBRA, you don't have to send any payment with the Election Form. Additional information about payment will be provided to you after the election form is received by the Plan. Important information about paying your premium can be found at the end of this notice. **You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA coverage.** You can learn more about the Marketplace below.

Are there other coverage options besides COBRA coverage?

Yes. Instead of enrolling in COBRA coverage, there may be other, more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA coverage.

You should compare your other coverage options with COBRA coverage and choose the coverage that is best for you. For example, if you move to other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible.

When you lose job-based health coverage, it's important that you choose carefully between COBRA coverage and other coverage options, because once you've made your choice, it can be difficult or impossible to switch to another coverage option.

If I elect COBRA coverage, when will my coverage begin and how long will the coverage last?

If elected, COBRA coverage begins effective [insert date] and can last until [insert date] (except that COBRA coverage under the Health FSA component can last only until December 31, [insert current year]).

In the case of losses of coverage due to an employee's death, divorce, or legal separation, or a dependent child ceasing to be a dependent under the terms of the Plan, coverage under the Plan's Medical and Dental components may be continued for up to a total of 36 months.

COBRA coverage under the Health FSA component can last only until the end of the year in which the Qualifying Event occurred – see the paragraph above entitled "Electing COBRA under the Health FSA component."

This notice shows the maximum period of COBRA coverage available to the Qualified Beneficiaries. COBRA coverage will automatically terminate 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 COBRA, under another group health plan, but only after any exclusions of that other plan for a preexisting condition of the Qualified Beneficiary have been exhausted or satisfied (Note: There are limitations on plans' imposing a preexisting condition exclusion, and such exclusions will become prohibited beginning in 2014 under the Affordable Care Act.);
- a Qualified Beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing COBRA; or
- the employer ceases to provide any group health plan for its employees.

COBRA coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud).

You must notify the COBRA Administrator in writing within 30 days if, after electing COBRA, a Qualified Beneficiary becomes entitled to Medicare (Part A, Part B, or both) or becomes covered under other group health plan coverage. You must use the Plan's form entitled "Notice of Other Coverage, Medicare Entitlement, or Cessation of Disability Form" (you may obtain a copy of this form from the COBRA Administrator at the Fullerton CPAs at no charge, or you can download the form at <https://www.bssd.net/domain/45>, and you must follow the notice procedures specified in the box at the end of this notice entitled "Notice Procedures." In addition, if you were already entitled to Medicare before electing COBRA, notify the **COBRA**

Administrator, Fullerton CPAs, 2001 NW Jefferson Street, Blue Springs, MO 64015 of the date of your Medicare entitlement at the address shown in the box entitled “Notice Procedures.”

What is the Health Insurance Marketplace?

The Marketplace offers “one-stop shopping” to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, co-insurance, and co-payments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you’ll also learn if you qualify for free or low-cost coverage from Medicaid or the Children’s Health Insurance Program (CHIP). You can access the Marketplace for your state at www.HealthCare.gov.

Coverage through the Health Insurance Marketplace may cost less than COBRA coverage. Being offered COBRA coverage won’t limit your eligibility for coverage or for a tax credit through the Marketplace.

When can I enroll in Marketplace coverage?

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. That is because losing your job-based health coverage is a “special enrollment” event. **After 60 days your special enrollment period will end and you may not be able to enroll, so you should take action right away.** In addition, during what is called an “open enrollment” period, anyone can enroll in Marketplace coverage.

To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about Qualifying Events and special enrollment periods, visit www.HealthCare.gov.

If I sign up for COBRA coverage, can I switch to coverage in the Marketplace? What about if I choose Marketplace coverage and want to switch back to COBRA coverage?

If you sign up for COBRA coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA coverage early and switch to a Marketplace plan if you have another Qualifying Event, such as marriage or birth of a child, through something called a “special enrollment period.” But be careful though-if you terminate your COBRA coverage early without another Qualifying Event, you’ll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim.

Once you’ve exhausted your COBRA coverage and the coverage expires, you’ll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended.

If you sign up for Marketplace coverage instead of COBRA coverage, you cannot switch to COBRA coverage under any circumstances.

Can I enroll in another group health plan?

You may be eligible to enroll in coverage under another group health plan (like a spouse's plan), if you request enrollment within 30 days of the loss of coverage.

If you or your dependent chooses to elect COBRA coverage instead of enrolling in another group health plan for which you're eligible, you'll have another opportunity to enroll in the other group health plan within 30 days of losing your COBRA coverage.

What factors should I consider when choosing coverage options?

When considering your options for health coverage, you may want to think about:

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- **Drug Formularies:** If you're currently taking medication, a change in your health coverage may affect your costs for medication-and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Service Areas:** Some plans limit their benefits to specific service or coverage areas-so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, you probably pay co-payments, deductibles, co-insurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher co-payments.

How can I elect COBRA?

To elect COBRA, you must complete the Election Form according to the directions on the Election Form and mail or hand-deliver it to the Blue Springs R-IV School District by the date specified on the Election Form. **Failure to do so will result in loss of the right to elect COBRA coverage under the Plan.** Each Qualified Beneficiary has a separate right to elect COBRA. COBRA may be elected for only one, several, or all dependent children who are qualified beneficiaries. A parent may elect COBRA on behalf of any dependent children. The employee or the employee's spouse (if the spouse is a Qualified Beneficiary) can elect COBRA on behalf of all of the qualified beneficiaries.

You may elect COBRA under any or all of the group health components of the Plan (Medical, Dental, and Health FSA) under which you were covered on the day before the Qualifying Event. (For example, if a Qualified Beneficiary was covered under the Medical and Dental components on the day before a Qualifying Event, he or she may elect COBRA under the Dental component only, the Medical component only, or under both Medical and Dental.) Such a Qualified Beneficiary could not elect COBRA under the Health FSA Component, because he or she was not covered under this component on the day before the Qualifying Event. However, COBRA coverage under the Health FSA is offered only to certain qualified beneficiaries, and is available only for a limited period. See the paragraph below entitled "Electing COBRA under the Health FSA component" for more information.

Additional information about the Medical, Dental, and Health FSA components of the Plan is available in the Plan's summary plan description. If you do not have a copy of the summary plan description, you may obtain one from the Blue Springs R-IV School District.

Qualified beneficiaries who are entitled to elect COBRA may do so even if they have other group health plan coverage or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, as discussed in more detail above, a Qualified Beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare benefits or becomes covered under other group health plan coverage.

Electing COBRA under the Health FSA component

COBRA coverage under the Health FSA will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A Qualified Beneficiary has an underspent account if the annual limit elected under the Health FSA by the covered employee, reduced by reimbursable claims submitted up to the time of the Qualifying Event, is equal to or more than the amount of the premiums for Health FSA COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the Health FSA coverage in force at the time of the Qualifying Event (i.e., the elected annual limit reduced by reimbursable claims submitted up to the time of the Qualifying Event). **The use-or-lose rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year.** All qualified beneficiaries who were covered under the Health FSA component of the Plan will be covered together for Health FSA COBRA coverage. However, each Qualified Beneficiary could alternatively elect separate COBRA coverage to

cover that Qualified Beneficiary only, with a separate Health FSA annual coverage limit and a separate COBRA premium. If you are interested in this alternative, contact the Blue Springs R-IV School District for more information.

For more information

This notice doesn't fully describe COBRA coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your summary plan description or from the Blue Springs R-IV School District.

If you have questions about the information in this notice or your rights to coverage, or if you want a copy of your summary plan description, contact:

COBRA Administrator
Fullerton CPAs
2001 NW Jefferson Street
Blue Springs, MO 64015
(816) 224-4195 x209
dayla@fullertoncpa.com

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) website or call their toll-free number at 1-866-444-3272. For more information about health insurance options available through the Health Insurance Marketplace, and to locate an assister in your area whom you can talk to about the different options, visit www.HealthCare.gov.

Keep your plan informed of address changes

To protect your and your family's rights, keep the Blue Springs R-IV School District informed of any changes in your address and the addresses of family members. You should also keep a copy of any notices you send to the Blue Springs R-IV School District.

COBRA Election Form

Instructions – To elect COBRA, complete this Election Form and return it to **COBRA Administrator, Fullerton CPAs, 2001 NW Jefferson Street, Blue Springs, MO 64015**. Under Federal law, you must have 60 days after the date of this notice (or, if later, 60 days after the date that Plan coverage is lost) to decide whether you want to elect COBRA coverage under the Plan.

Mail or hand deliver completed Election Form to:

**COBRA Administrator
Fullerton CPAs
2001 NW Jefferson Street
Blue Springs, MO 64015
(816) 224-4195 x209
dayla@fullertoncpa.com**

This Election Form must be completed in writing and mailed or hand-delivered to the individual and address specified above. The following are not acceptable as COBRA elections and will not preserve COBRA rights: oral communications regarding COBRA coverage, including in-person or telephone statements about an individual’s COBRA coverage; and faxed communications. If mailed, your election must be postmarked no later than **[insert date]**. If hand-delivered, it must be received by the individual at the address specified above no later than **[insert date]**.

If you don’t submit a completed election form by the due date shown above, you’ll lose your right to elect COBRA. If you reject COBRA before the due date, you may change your mind as long as submit a completed Election Form before the due date.

Read the important information about your rights included in the pages after the Election Form.

You may elect COBRA under one or more of the group health components of the Plan listed above. List below all Qualified Beneficiaries electing COBRA and the components they are electing even if they will be covered together under family coverage.

I (We) elect COBRA coverage in the Self Insurance Pool of Greater Kansas City, Inc. (the “Plan”) as indicated below:

Name	Date of Birth	Relationship to Employee	SSN (or other identifier)
------	---------------	--------------------------	---------------------------

a.

If the Qualified Beneficiary signing above is the covered employee or spouse, the Election Form will be deemed to include an election on behalf of all of the Qualified Beneficiaries listed in this election notice, unless you check the box below.

- This is an election of self-only COBRA coverage and not an election on behalf of other Qualified Beneficiaries.

Important Information About Payment

Each Qualified Beneficiary is required to pay the entire cost of COBRA Coverage. The amount a Qualified Beneficiary may be required to pay may not exceed 102 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 COBRA Coverage. The required monthly payment for each group health component of the Plan under which you are entitled to elect COBRA is described in this notice.

All COBRA premiums must be paid by check or ACH.

- **First payment for COBRA Coverage**

You must make your first payment for COBRA Coverage not later than 45 days after the date of your election. (This is the date your Election Form is postmarked, if mailed, or the date your Election Form is received by the individual at the address specified for delivery of the Election Form, if hand-delivered.) **If you do not make your first payment for COBRA Coverage in full within 45 days after the date of your election, you will lose all COBRA Coverage rights under the Plan.**

Your first payment must cover the cost of COBRA Coverage from the time your coverage under the Plan would have otherwise terminated up through the end of the month before the month in which you make your first payment. (For example, Sue's employment terminates on September 30, and she loses coverage on September 30. Sue elects COBRA on November 15. Her initial premium payment equals the premiums for October and November and is due on or before December 30, the 45th day after the date of her COBRA election.) You are responsible for making sure that the amount of your first payment is correct.

You may contact the COBRA Administrator at Fullerton CPAs, 2001 NW Jefferson Street, Blue Springs, MO 64015, (816) 224-4195 x209, to confirm the correct amount of your first payment.

Claims for reimbursement will not be processed and paid until you have elected COBRA and made the first payment for it.

- **Monthly payments for COBRA coverage**

After you make your first payment for COBRA Coverage, you'll have to make monthly payments for each subsequent month of COBRA coverage. The amount due for each month for each Qualified Beneficiary is shown in this notice. Under the Plan, each of these monthly payments for COBRA Coverage is due on the first day of the month for that month's COBRA coverage. If you make a monthly payment on or before the first day of the month to which it applies, your COBRA coverage under the Plan will continue for that month without any break. The COBRA Administrator will not send notices of payments due for these coverage periods (that is, **we will not send a bill to you for your COBRA coverage. It is your responsibility to pay your COBRA premiums on time**).

- **Grace periods for monthly payments**

Although monthly payments are due on the first day of each month of COBRA coverage, you'll be given a grace period of 30 days after the first day of the month to make each monthly payment. You'll get COBRA Coverage for each month as long as payment for that month is made before the end of the grace period. If you pay a monthly payment later than the first day of the month to which it applies, but before the end of the grace period for the month, your coverage under the Plan will be suspended as of the first day of the month and then retroactively reinstated (going back to the first day of the month) when the monthly payment is received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you don't make a monthly payment before the end of the grace period for that month, you'll lose all rights to COBRA Coverage under the Plan.

Your first payment and all monthly payments for COBRA Coverage should be mailed or hand-delivered to:

**COBRA Administrator
Fullerton CPAs
2001 NW Jefferson Street
Blue Springs, MO 64015
(816) 224-4195 x209
dayla@fullertoncpa.com**

However, if the Plan notifies you of a new address for payment, you must mail or hand deliver all payments for COBRA coverage to the individual at the address specified in that notice of a new address.

If mailed, your payment is considered to have been made on the date that it is postmarked. If hand-delivered, your payment is considered to have been made when it is received by the individual at the address specified above. You will not be considered

to have made any payment by mailing or hand delivering a check if your check is returned due to insufficient funds or otherwise.

Notice Procedures

Notices Must Be Written and Submitted on Plan Forms: Any notice that you provide must be in writing and must be submitted on the Plan's required form (the Plan's required forms are described above in this notice, and you may obtain copies from the COBRA Administrator at the Blue Springs R-IV School District without charge or download them at <https://www.bssd.net/domain/45>. Oral notice, including notice by telephone, is not acceptable. Faxed notices are not acceptable.

How, When, and Where to Send Notices: You must mail or hand-deliver your notice to:

**COBRA Administrator
Fullerton CPAs
2001 NW Jefferson Street
Blue Springs, MO 64015
(816) 224-4195 x209
dayla@fullertoncpa.com**

However, if a different address for notices to the Plan appears in the Plan's most recent summary plan description, you must mail or hand-deliver your notice to that address (if you do not have a copy of the Plan's most recent summary plan description, you may request one from the COBRA Administrator.

If mailed, your notice must be postmarked no later than the last day of the applicable notice period. If hand-delivered, your notice must be received by the individual at the address specified above no later than the last day of the applicable notice period. (The applicable notice periods are described in the paragraph above entitled "If I elect COBRA, when will my coverage begin and how long will the coverage last?").

Information Required for All Notices: Any notice you provide must include: (1) the name of the Plan ("Self Insurance Pool of Greater Kansas City, Inc."); (2) the name and address of the employee who is (or was) covered under the Plan; (3) the name(s) and address(es) of all Qualified Beneficiary(ies) who lost coverage as a result of the Qualifying Event; (4) the Qualifying Event and the date it happened; and (5) the certification, signature, name, address, and telephone number of the person providing the notice.

Who May Provide Notices: The covered employee (i.e., the employee or former employee who is or was covered under the Plan), a Qualified Beneficiary who lost coverage due to the Qualifying Event described in the notice, or a representative acting on behalf of either may

provide notices. A notice provided by any of these individuals will satisfy any responsibility to provide notice on behalf of all Qualified Beneficiaries who lost coverage due to the Qualifying Event described in the notice.