This COBRA Notice is being sent to Employees and Beneficiaries Participating in Philadelphia University’s Health Plan. Please be informed that this notice is only for your information. No action is required on your part at this time.

Under federal legislation, all employees and their families who enroll for medical and/or dental coverage have certain rights if they subsequently lose these benefits. Specifically, you and your covered dependents, if any, have the right to continue these coverages for up to 18, 29, or 36 months, depending on the type of event that causes medical and/or dental benefits coverage to cease.

Attached is a notice that explains your rights in greater detail. If you have any questions, please call Human Resources at 215-951-2965.
NOTICE TO PHILADELPHIA UNIVERSITY EMPLOYEES AND THEIR SPOUSES AND DEPENDENT CHILDREN

*IMPORTANT NOTICE—READ CAREFULLY

SUBJECT: Health Care Continuation

In accordance with federal law, all employees and their families who lose their major medical or health maintenance organization and/or dental plan or dental maintenance organization benefits under certain circumstances (because, e.g., the person stops working for the company) will be given the option of purchasing a continuation of their benefits (called "continuation coverage") for at least 18 months at group rates. This option will be available when either you, your spouse, or your dependent child would otherwise lose medical or dental coverage as a result of certain "qualifying events." The qualifying events that give you the right to purchase this continuation coverage are listed later in this notice.

We have mailed this notice to you at the address currently contained in our records, again in accordance with federal law. We assume that this is the correct address for you, your spouse, and your dependent children who currently are covered by Philadelphia University medical and dental benefits. If this is not the correct address for you, your spouse, or any of your dependent children covered by any of those plans, please inform the Human Resources Department immediately.

This notice is intended to inform you of your rights and obligations and should be kept with your Employee Handbook and benefit information packet.

You may have other options available to you when you lose group health coverage. For example, you may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse’s plan), even if that plan generally doesn’t accept late enrollees.

YOUR CONTINUATION COVERAGE RIGHTS

If you are an employee and you are enrolled in or are entitled to receive service from the major medical plan or a health maintenance organization, the dental plan, or dental maintenance organization, you will have the right to purchase continuation coverage in any of those plans that covered you where you lose benefits because of a reduction in the number of hours that you work or termination of your Philadelphia University affiliation.

If you are the spouse of an employee and if you are covered by any of the plans just listed, you will

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have the right to purchase continuation coverage in any of those plans that covered you where you lose benefits because of one of the following qualifying events: (1) a reduction in the number of hours that your spouse works; (2) a termination of your spouse's Philadelphia University affiliation; (3) the death of your spouse; (4) divorce or legal separation from your spouse; (5) your spouse becoming entitled to Medicare or (6) the commencement of certain bankruptcy proceedings, if your spouse is retired.

Your dependent children also have the right to purchase continuation coverage in any of those plans under which they are covered where they lose benefits because of one of the following qualifying events: (1) a reduction in the number of hours that the parent works at Philadelphia University; (2) termination of the Philadelphia University employee's affiliation; (3) the death of the Philadelphia University employee; (4) divorce or legal separation of the Philadelphia University employee and his or her spouse; (5) the dependent child's loss of dependent-child status under the plan or (6) a proceeding in bankruptcy reorganization case, if the parent is retired.

No one will be required to show evidence of insurability in order to receive continuation coverage. In the event that Philadelphia University changes the medical or dental benefits available to similarly situated employees and their spouses and their dependent children, those changes will be extended on the same basis to persons who have purchased continuation coverage. The cost of the continuation coverage will be adjusted to reflect the change in your benefits.

Generally speaking, your continuation coverage or that of your dependent children may be purchased for up to 36 months following the date on which you otherwise would have lost that coverage. The coverage may be continued for only up to 18 months, however, if the applicable qualifying event is the employee's termination of affiliation or reduction in hours of work.

You may be eligible for more than 18 months of coverage in certain situations. You can apply for a total of 29, or 36 months of coverage, depending on the situation.

If the Social Security Administration determines you to be disabled at the time of termination or within 60 days of termination or reduction of hours resulting in loss of group coverage, you can extend your coverage up to a total of 29 months. To do so, you notify Human Resources both within 60 days of the determination and before the end of the first 18 months of COBRA coverage. Likewise, if the Social Security Administration determines your dependent children to be disabled, they can extend their coverage up to a total of 29 months if they notify Human Resources both within 60 days of that determination and before the end of the first 18 months of coverage. The premiums charged for the coverage can be increased nearly 50 percent during the period of disability.

If you are the spouse or dependent child of the covered employee, you may extend your original 18 months of coverage for a total of up to 36 months of coverage. You may elect this additional coverage if you have a second qualifying event (listed earlier) during your original 18 months of coverage.

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You will also have the right to purchase individual health coverage on the same basis that is permitted when you lose your group benefits.

Your continuation coverage, and that of your spouse and dependent children, will end if any of the following occurs: (1) Philadelphia University terminates all of its health benefits; (2) payment of your first premium is received by Philadelphia University after the 45-day grace period expires; (3) payment of either your second monthly premium or a subsequent monthly premium is received by Philadelphia University after the 30-day grace period has expired; (4) you or your spouse or dependent children become covered under another group health plan that does not contain a preexisting condition limitation; (5) you or your spouse or your dependent children become entitled to Medicare benefits; or (6) you, your spouse, or your dependent children are no longer disabled (if you were disabled at the time of your termination of employment).

YOUR OBLIGATIONS

You or your spouse or dependent children must notify Human Resources within 60 days if you obtain a divorce or if your child loses his dependent child status under the plans. Human Resources will then advise you of your right to purchase continuation coverage and the cost. If you do not notify Human Resources within that 60-day period, you will not be allowed to purchase any continuation coverage.

Human Resources will notify you of your right to purchase continuation coverage and the cost, if any, of any other qualifying event that has occurred and if you or your spouse or dependent children have lost benefits as a result of that event.

If you do not elect to purchase the continuation coverage within the 60 days permitted for the election, your health benefits will not be continued and you will not have another chance to purchase the continuation coverage.

If you or your spouse or dependent children want to purchase any continuation coverage, you or they must elect to do so on the form that Human Resources will provide. The envelope in which you mail your election form must be postmarked no later than the sixtieth day after the day on which you receive the notice from Human Resources.

You should submit your election form as soon as possible after receiving the notice from Human Resources in order to prevent delays in receiving any medical or dental benefits and to avoid the possibility of losing your benefits altogether. No claims for benefits or services after a qualifying event will be considered for payment until you (or your spouse or dependent children) have submitted your election form and paid your election fee.

Your premiums for the following periods of coverage are due on the date that your election form is submitted: (1) the retroactive coverage before the date of election; (2) the first period of coverage beginning with the date of election and ending with the last day of the month in which the election is made; and (3) the first full month of coverage beginning with the first day of the month following

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the date of the election. You have 45 days from that date in which to pay those amounts.

If you are determined by the Social Security Administration to be disabled at the time of your termination or within 60 days thereof, and you want to extend your coverage up to a total of 29 months, you must notify Human Resources both within 60 days of that determination and before the end of the first 18 months of your coverage. You must notify Human Resources within 30 days of any final determination that you are no longer disabled.

Likewise, if your dependent children are determined by the Social Security Administration to be disabled at the time of your termination or within 60 days thereof, and they want to extend their coverage up to a total of 29 months, they must notify Human Resources both within 60 days of that determination and before the end of the first 18 months of their coverage. Your dependent children must notify Human Resources within 30 days of any final determination that they are no longer disabled.

**Are there other coverage options besides COBRA Continuation Coverage?**

Yes. Instead of enrolling in COBRA continuation coverage, there may be other 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 continuation coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

**If you have questions**

Questions concerning your Plan or your COBRA continuation coverage rights should be addressed to the contact or contacts identified below. 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, contact the nearest Regional or District Office of the U.S. Department of Labor’s Employee Benefits Security Administration (EBSA) in your area or visit [www.dol.gov/ebsa](http://www.dol.gov/ebsa). (Addresses and phone numbers of Regional and District EBSA Offices are available through EBSA’s website.) For more information about the Marketplace, visit [www.HealthCare.gov](http://www.HealthCare.gov).

If you have questions concerning your right to purchase continuation coverage, please contact Human Resources at the University’s address or by calling 215-951-2965.