WHEN COVERAGE ENDS AND CONTINUATION OF COVERAGE

An Employee's coverage under the Health Plan ends on the earliest of:

(a) Last day of the coverage period following the date employment ends, as set forth in (b) below;

(b) Date the Employee ceases to be a Member of the class or classes eligible for such coverage;

(c) End of the period covered by the Employee's last contribution for that coverage;

(d) Last day of the coverage period following the date the Employee begins active duty in the armed forces; or

(e) Date the Plan terminates.

Spouse and Dependent coverage ends on the earliest of these dates:

(a) Date the Employee's coverage under the Plan ends;

(b) Last day of the coverage period in which the Spouse or Dependent ceases to qualify as a Spouse or Dependent;

(c) End of the period covered by the Employee's last contribution for that coverage;

(d) Last day of the coverage period following the date the Spouse or Dependent begins active duty in the armed forces of any state;

(e) Date the Employee becomes ineligible to have a Spouse or Dependents covered under that Plan; or

(f) Date the Plan terminates.

Employment for coverage purposes ends on the date the Employee ceases active work or benefit eligible status changes with the Employer. The ending date of Health Coverage will be based on the pay period for which the Employee receives his or her final paycheck. Employees should contact their Human Resource/Personnel Office for specific information.

APPROVED LEAVE OF ABSENCE WITHOUT PAY

An approved leave of absence without pay is not treated as a termination of employment. An approved leave of absence without pay includes an absence due to Injury, disease, Pregnancy, or an absence pursuant to the Family Medical Leave Act (FMLA) of 1993. Benefits under the South Dakota State Employee Health Plan may continue provided the Employee continues to make after-tax contributions to the Plan according to the billing process established by the Bureau of Human Resources or the Board of Regents. If Employee terminates employment, then coverage will end prior to the actual termination date and Retiree and COBRA continuation of coverage will not be available.

Spouse or dependent health coverage during a period of absence will end if the Employee does not pay the required spouse or dependent contributions. For example, if the Employee goes on leave of absence without pay from January 1 until March 1, and does not pay the spouse or dependent contributions for coverage, the spouse or dependent will have a break in coverage. Coverage will also end if the authorized period of absence ends and the Employee does not return to work, or when the Plan Administrator otherwise determines that employment has terminated. Retiree and COBRA continuation of coverage will not apply.

NOTE: If an Employee terminates employment and is rehired during the same Plan Year, coverages elected during the previous period of employment, and in effect at the time of termination, will be reactivated with no changes.

If the Employee does not make required contributions as billed for health insurance while on a leave without pay status, Spouse and Dependent Health Coverage will end. See “Late Entrants to the South Dakota State Employee Health Plan”.

If leave without pay contributions are not paid and the Employee terminates employment, then coverage will end prior to the actual termination date and Retiree and COBRA continuation of coverage will not be available.

RETIREE COVERAGE

Eligible retired Members may continue group Health Coverage as a Retiree Member up to the first day of the month in which they reach age 65, at which time coverage may be converted to the State-sponsored Medicare Supplement Plan. Election of COBRA will forfeit the right to retiree coverage. If a member selects a lump sum retirement benefit payout, they forfeit their right to retiree coverage.

Eligible Members who are receiving a Disability benefit from the South Dakota Retirement System (SDRS), or who have been designated as disabled by the Social Security Administration, may continue COBRA coverage for up to 29 months. There is no COBRA continuation of coverage if the Member is a Medicare recipient.

Covered Spouse and Dependents can remain on the Plan for as long as they remain a qualified Spouse or Dependents.

Retiree members pay 100% of the cost of their coverage for themselves, spouses, and eligible dependents.

OPTION TO CONTINUE COVERAGE (COBRA)

An Employee and the Employee's eligible Spouse and Dependents covered by the South Dakota State Employee Health Plan have the right to elect continuation coverage if coverage is lost because of one of the following qualifying events:

	QUALIFY EVENT	LENGTH OF CONTINUATION COVERAGE
1)	Employee's Termination (for reasons other than gross misconduct)	Coverage for former Employee and eligible Spouse and Dependents may be extended up to 18 months; up to 29 months if the Employee or an eligible Spouse or Dependent is disabled prior to or within 60 days following the date of the qualifying event.
2)	Employee's Death	Coverage may be extended up to 36 months for eligible Spouse and Dependents.
3)	Reduction of Employee's Hours	Coverage for the Employee and eligible Spouse and Dependents may be extended up to 18 months; up to 29 months if the Employee or the eligible Spouse or Dependent is disabled prior to or within 60 days following the date of the event.
4)	Divorce or Legal Separation	Coverage may be extended up to 36 months for qualified beneficiaries.
5)	Employee's Entitlement to Medicare	If an Employee becomes entitled to Medicare while an active Employee and within 18 months of that entitlement experiences a layoff, a termination of employment, or a qualifying reduction of his or her hours, qualified beneficiaries may extend coverage up to 36 months from the date the Employee became entitled to Medicare.
6)	Child Ineligible to be Covered as a Dependent	Coverage may be extended up to 36 months for the eligible Dependent.

The Employee or a family member has the responsibility to notify the Employee's Human Resource Office of a divorce, legal separation, Medicare entitlement or enrollment, or a child losing Dependent status under the South Dakota State Employee Health Plan. This notification must occur within 60 days of the date of the event or the date on which coverage would be lost due to the event, whichever is later. See "When Coverage Ends".

ELECTING CONTINUATION COVERAGE (COBRA)

For purposes of this Section, a qualified individual/beneficiary includes the Employee and any eligible Spouse and Dependent of the Employee who is covered by the Plan on the date of the qualifying event. Employees, Spouses, and Dependents of an Employee who opts out of coverage under this Plan are not eligible for and may not elect continuation coverage pursuant to this section of the Plan.

The Employer is responsible for notifying the Employee and/or eligible Spouse and Dependents of the right to elect continuation coverage in the case of the Employee's death, termination of employment, or reduction in hours of employment. The Employee and/or eligible Spouse and Dependent have 60 days from the date coverage would end to elect continuation coverage. If the Employee and/or eligible Spouse and Dependent do not elect continuation coverage, group Health Coverage under the Plan will cease.

If the Employee and/or eligible Spouse and Dependent elects continuation coverage, the Employee and/or Spouse and Dependent may elect a plan with less coverage (e.g. When an active Employee, the plan choice was the $750 Deductible Plan. As a COBRA Member, the Member may elect the $1,250 Deductible Plan or the $1,800 Deductible Plan.)

The length of the continuation period will depend on the qualifying event. If an Employee or eligible Spouse and Dependent is determined by Social Security to have been disabled prior to or within 60 days following the date of the qualifying event, he or she may obtain an extension of the COBRA continuation period from 18 months to 29 months (with proof of disability). Anyone electing continuation coverage may be charged 102% of the group rate charged for the same coverage.

If Medicare or another health plan is in effect prior to the COBRA effective date, the Employee and/or Spouse and Dependent must be offered COBRA and may elect to participate in COBRA coverage as well as Medicare or another health plan, with COBRA as the secondary payer.

CONTINUATION COVERAGE ENDS

Continuation of coverage may be terminated or denied on the earliest date which may apply for any of the following reasons:

(a) The Employee or covered Spouse and Dependent acquires coverage under another group health, dental, or vision plan or any other plan (Medicaid, TriCare or other Federal programs);

(b) The contribution for continuation coverage is not paid on time, including a grace period of 30 days after a payment due date or a period of 45 days following the day the qualified beneficiary initially elected continuation coverage;

(c) The Employee or covered Spouse or Dependent is entitled to or enrolled in Medicare or Medicaid after COBRA continuation coverage begins;

(d) The State of South Dakota no longer provides group Health Coverage; or

(e) The continuation period ends.

HEALTHCARE CERTIFICATIONS

If an Employee, Spouse or Dependent lose coverage under the South Dakota State Employee Health Plan, the Plan Administrator will provide a Certificate of Prior Health Coverage. The purpose of the Certificate is to enable the Employee, Spouse or Dependent to provide proof of prior health plan coverage to a subsequent health plan. Certificates will be provided automatically when the coverage ends under the Plan and when the COBRA coverage (if any) ends.

CONVERSION OF COVERAGE

The South Dakota State Employee Health Plan does not offer the opportunity to convert Health Coverage to an individual policy when COBRA continuation coverage ends.