



4050 Esplanade Way
Tallahassee, FL 32399-0950
Tel: 850-921-4600 | Fax 850-488-0252

Ron DeSantis, Governor

Jonathan R. Satter, Secretary

MANAGEMENT ADVISORY #19-004

DATE: June 10, 2019

TO: Agency and University Personnel Officers and Benefits Coordinators

FROM: Debbie Shoup, Manager, Member Services

SUBJECT: COBRA Medicare Tiers and Premium Rate Chart effective June 2019 for July 2019

The Division of State Group Insurance (DSGI) has made some changes and clarifications to the COBRA packet and process. Beginning June 8, 2019, COBRA qualified beneficiaries (enrollees and/or their dependents that lose eligibility under the State Group Insurance Program) will receive a COBRA packet that has added enrollment features for the health plan Medicare tiers, healthcare and limited purpose flexible spending account, and health reimbursement account.

Changes to the COBRA process and packet are as follows:

COBRA enrollment is made by election form only. The People First Service Center will not accept COBRA enrollment by phone.

COBRA Medicare tiers

A qualified beneficiary must be enrolled in Medicare before the effective date of COBRA coverage to be eligible for a COBRA Medicare tier. If a qualified beneficiary elects a Medicare tier on the COBRA enrollment form, a copy of the qualified beneficiary's Medicare card must accompany the enrollment form. If a copy of the Medicare card is not included, the enrollment is made into either individual or family COBRA coverage as applicable.

- Medicare I tier – Single coverage for a participant enrolled in Medicare Parts A & B (does not include monthly Medicare Part B premium).
- Medicare II tier – Family coverage for two or more participants, if at least one participant is enrolled in Medicare Parts A & B (does not include monthly Medicare Part b premium).
- Medicare III tier – Family coverage for two participants and both are enrolled in Medicare Parts A & B (does not include monthly Medicare Part B premium).

If the qualified beneficiary is enrolled in Capital Health Plan (CHP) and is enrolling in a COBRA Medicare tier, the qualified beneficiary must contact CHP immediately at 850-383-3311 to fill out an application to enroll in the CHP Retiree Advantage Plan. If the CHP application is not completed and submitted to CHP by the time the first COBRA premium payment is made, the qualified beneficiary cannot remain in a Medicare tier and will be required to pay the full COBRA premium.

COBRA eligibility is lost for a qualified beneficiary that is enrolled in Medicare after the COBRA coverage effective date.

The [premium rate chart](#) has been updated to include the COBRA Medicare tier premiums, effective June 2019 for July 2019 coverage.

COBRA Health Reimbursement Account (HRA)

If the COBRA qualified beneficiary elects to enroll in a COBRA health plan and wants to participate in the Shared Savings Program during the COBRA coverage period, the qualified beneficiary must elect to continue the Health Reimbursement Account (HRA) through COBRA at the time of COBRA enrollment. A qualified beneficiary cannot elect to enroll in the COBRA HRA unless enrolled in a COBRA State Group Insurance health plan. Exceptions:

- An employee terminates employment for reason of retirement and enrolls under the spouse's State Group Insurance health plan as a dependent. This individual has funds in an active employee HRA. This individual can COBRA the HRA as a dependent enrolled in a State Group Insurance health plan to spenddown the funds in the HRA (the COBRA coverage period is 18 months if covered under the health plan) (second QSC event applies). Any future rewards earned by this individual will be credited to the spouse's employee HRA.
- An employee that is enrolled in the spouse program (is the primary spouse), terminates employment and enrolls under the spouse's State Group Insurance health plan as a dependent. This individual has funds in an active employee HRA. This individual can COBRA the HRA as a dependent enrolled in a State Group Insurance health plan to spenddown the funds in the HRA (COBRA coverage period is 18 months as long as covered under the health plan) (second QSC event applies). Any future rewards earned by this individual will be credited to the spouse's employee HRA.

No monthly premium is charged for the COBRA HRA. At the end of the plan year, any funds remaining in the COBRA HRA will roll over to the next plan year until the expiration of the COBRA health coverage.

The Chard Snyder Benefit Card will be active for the COBRA HRA. If the qualified beneficiary destroyed the card prior to COBRA enrollment, the qualified beneficiary may request a new card from Chard Snyder. The COBRA HRA will terminate upon termination of health coverage.

COBRA healthcare/limited purpose FSA

Only terminating employees who have an underspent account can COBRA healthcare/limited purpose FSA. The Chard Snyder Benefit Card will be active for the COBRA healthcare/limited purpose FSA. If the qualified beneficiary destroyed the card prior to COBRA enrollment, the qualified beneficiary may request a new card from Chard Snyder.

The COBRA period for the healthcare/limited purpose FSA is until the end of the plan year. The use-it-or-lose-it rule will continue to apply, any unused amounts that exceed \$500 will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year. Any unused funds that is equal to or is less than \$500 will rollover to the next plan year, however, no new contributions can be made to the FSA.

Continue to use the “When Employment Ends Form” for terminating employees that chose to use the pre-tax leave payout option to fund their COBRA healthcare/limited purpose FSA.