

## Continuation Coverage Under HealthFlex

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HealthFlex<sup>1</sup> (the “Plan”) does not offer continuation coverage under the terms of COBRA<sup>2</sup>—the federal continuation coverage law that applies to most employer group health plans. Because it is a church plan, the Plan—including medical, dental, vision, mental health and the health care flexible spending account (“MRA”)—is exempt from COBRA requirements by federal law.<sup>3</sup>

Nonetheless, an individual who has lost coverage<sup>4</sup> under the Plan may elect continuation coverage, which includes medical, exam-only vision, mental health and prescription drug coverage, as well as wellness benefits typically included in the Plan. The Plan offers continuation coverage to participants as a discretionary benefit. Continuation coverage is not available for dental, vision materials benefit or the MRA, because they are limited-scope benefits. A dependent care flexible spending account is not considered part of the Plan and, therefore, is not part of continuation coverage. Generally, the Plan offers continuation coverage for 18 months from the date that coverage is lost.<sup>5</sup> An individual who elects continuation coverage will remain in his or her currently elected benefit options for the rest of the Plan year in which he or she lost coverage.

Continuation coverage for a spouse who loses coverage due to a divorce from a participant is 24 months. Generally, if you were a *primary participant* in HealthFlex, HealthFlex will consider newly acquired dependents to be eligible for coverage for the remaining period of your continuation coverage. However, if you were a *dependent* in HealthFlex, HealthFlex will not consider your newly acquired dependents to be eligible for coverage for the remaining period of your continuation coverage.

Participants must notify their plan sponsor and Wespath Benefits and Investments (Wespath) of events that may cause a loss of coverage under the Plan, such as a child reaching a limiting age or a divorce. An individual who becomes eligible for Medicare is no longer eligible for continuation coverage.

Generally, coverage terminates at midnight on the last day of the month in which the event that causes the loss of eligibility occurs. Within 10 business days following the termination, Wespath will inform the individual of the termination of coverage and opportunity to elect continuation coverage.

Continuation coverage will cease on the earliest of the following:

- the last day for which an individual has paid the required contribution,
- the date an individual becomes eligible for coverage under another group plan or policy for medical benefits or under Medicare,
- the last day of the month of such continuation coverage in accordance with the terms of the Plan, or
- the date the Plan terminates.

An individual who has lost coverage has 60 calendar days from the date coverage is terminated in which to elect continuation coverage. If the affected individual does not accept continuation coverage within this time frame, he or she will forfeit coverage. Individuals who elect continuation coverage must pay the entire cost of coverage—i.e., the employee and the employer portions of the required contribution—on an after-tax basis.

Continuation coverage is only available to individuals who have been covered under the Plan for at least 90 days. Continuation coverage may not be available in certain circumstances, such as termination from employment in connection with a felony.

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<sup>1</sup> HealthFlex Exchange is part of HealthFlex.

<sup>2</sup> The Consolidated Omnibus Budget Reconciliation Act of 1985.

<sup>3</sup> Pursuant to 4980B(d) of the Internal Revenue Code and Treasury Regulation 54.4980 B-2, Q&A No. 4.

<sup>4</sup> Loss of coverage may occur, for example, by reason of termination of employment, attainment of a limiting age, divorce or death.

<sup>5</sup> The Plan may offer longer periods of coverage in certain circumstances.

Participants should contact their plan sponsor or Wespeth if they have questions about eligibility for continuation coverage. In addition, you may access a *Summary of Benefits and Coverage (SBC)*, which summarizes important information about your health coverage, in the Reference Center at [www.wespeth.org](http://www.wespeth.org) (click on “**HealthFlex/WebMD**” under **Account Login** then select “**HealthFlex Plan Benefits**” or “**HealthFlex Exchange**”).

There may be other coverage options for you and your family. Key parts of the health care law<sup>6</sup> enable eligible individuals and families to buy coverage through the online Health Insurance Marketplace ([www.healthcare.gov](http://www.healthcare.gov)). In the Marketplace, you may be eligible for an income-based premium tax credit that lowers your monthly premiums, and you can see what your premium, deductibles and out-of-pocket costs will be before you make a decision to enroll. Being eligible for continuation coverage does not limit your eligibility for coverage or for a premium tax credit through the Marketplace. Additionally, you may qualify for a special enrollment opportunity for another group health plan for which you are eligible (such as a spouse’s plan), even if the plan generally does not accept late enrollees, if you request enrollment within 31 days of your loss of HealthFlex coverage.

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<sup>6</sup> Affordable Care Act (Patient Protection and Affordable Care Act, i.e., federal health care reform).