

IMPORTANT INFORMATION ABOUT YOUR AB528 CONTINUATION COVERAGE RIGHTS

What is AB528 continuation coverage?

State law requires California schools and community college districts to allow certificated employees who lose their eligibility to continue their health care coverage upon retirement to enroll in health and welfare benefit plans or dental care benefit plans currently provided for its current certificated employees. Any former certificated employee, who retired from a CSEBA covered school district under any public retirement system, and his or her spouse, or any surviving spouse of a former certificated employee, may continue his or her health care benefits for life by paying the full premiums.

This law does not apply to either the new spouse upon the remarriage of a surviving spouse of a former certificated employee, or the children of a certificated or former certificated employee.

AB528 continuation coverage is the same coverage that the CSEBA covered school district's Health Plans give to other participants under the Plan. Each qualified participant who elects continuation coverage will have the same rights under the Plan as other participants covered under the Plan, including open enrollment and special enrollment rights. Please note that this law does not create a vested retirement right in health and dental care benefits, nor should it be construed as requiring or permitting the impairment of any contract, board rule, or regulation affecting retired certificated personnel. Further, it is not intended to reduce or conflict with any benefit provided in the federal Consolidated Omnibus Reconciliation Act of 1986 (COBRA), nor mandate the provision of life insurance or vision care.

Disability

A member of the California State Teachers' Retirement System (CalSTRS) or a school member of the California Public Employees' Retirement System (CalPERS) who is disabled as a result of an injury that is a direct consequence of a violent act perpetrated on his or her person while performing duties in the scope of employment, and upon qualifying for and while receiving an allowance for the disability, may continue in the CSEBA covered school district's health care plan and dental care plan, by paying the entire premium and related administrative costs of CSEBA.

Medicare

Enrollment in Medicare is not a prerequisite for enrollment in the CSEBA covered school district's AB528 medical plans. However, if the retiree or survivor is eligible for Medicare, it is recommended that he or she enrolls in Medicare Part A and Part B. Some medical premiums are discounted by insurance carriers for those subscribers who are enrolled in Medicare Part A and Part B. Please be aware that there is a cost for Medicare Part B and it is based on the individual's income.

How can you elect continuation coverage?

CSEBA covered school districts must allow these retirees and their spouses to enroll in the coverage within 30 days of losing active employee coverage. If retired certificated employees and/or spouses do not enroll in the health or dental care plans during this initial enrollment period or drop coverage after their initial enrollment, the CSEBA covered school district is not obligated to offer them another opportunity to enroll. However, if retired certificated employees and/or their spouses lose other coverage and can provide documentation of that loss, they may be allowed to enroll in the health or dental plan if they do so within 31 days of losing their coverage.

A retired certificated employee or a surviving spouse of a former certificated employee may elect AB528 continuation coverage. Retired certificated employees may enroll their eligible spouses when completing the Election Form. Failure to elect AB528 continuation coverage within 30 days of retirement will result in the loss of the right to elect continuation coverage under the Plan.

How much does continuation coverage cost?

The CSEBA covered school districts may require that retired employees pay the entire cost of premiums (including any premium increases) as well as district's administrative costs. It is also allowable for CSEBA to develop an experience claims rating for these enrollees and may require those persons to pay different rates as a class. AB528 continuation coverage will be terminated if any required premium is not paid on time, if a qualified participant becomes covered under another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition of the qualified participant, or if the employer ceases to provide any group health plan for its employees.

Generally, a retired certificated employee or surviving spouse of a retired certificated employee may be required to pay the entire cost of continuation coverage for himself or herself and his/her spouse, if applicable. Currently, the amount a participant is required to pay is up to 200 percent of the cost to the CSEBA covered school district's Group Health Plan.

When and how must payment for continuation coverage be made?

If you elect continuation coverage, send the first monthly payment due for AB528 continuation coverage along with your Election Form to the district's plan administrator. If you do not make your first payment for continuation coverage at the time you apply for coverage, you will lose all continuation coverage rights under the Plan following your 30-day initial enrollment period.

Your payment must cover the entire cost of monthly premiums due, otherwise your payment will be returned, and you will lose your right to continuation coverage once your 30-day initial enrollment period ends. You are responsible for making sure that the amount of our first payment is enough to cover this entire period. You may contact your district's plan administrator to confirm the correct amount of your first payment.

Your first payment for continuation coverage should be sent to: **[Insert your district plan administrator contact information.]**

Periodic payments for AB528 continuation coverage

After you make your first payment for AB528 continuation coverage, you will be required to pay for continuation coverage for each subsequent month of coverage. Under the Plan, these periodic payments for continuation coverage are due on or before the 5th day of each month. If you make a periodic payment before its due date, your coverage under the Plan will continue for that coverage period without any break. The Plan will not send periodic notices of payments due for these coverage periods.

Monthly payments for continuation coverage should be sent to:

Grace periods for periodic payments

Although periodic payments are due on the dates shown above, you will be given a grace period of 30 days to make each periodic payment. Your continuation coverage will be provided for each coverage period as long as payment for that coverage period is made before the end of the grace period for that payment. If you fail to make a periodic payment before the end of the grace period for that payment, you will lose all rights to AB528 continuation coverage under the Plan.

For more information

This notice does not fully describe AB528 continuation coverage or other rights under the Plan. More information about AB528 continuation coverage and your rights can be found in the California Education Code, Section 7000-7008.

Keep your plan informed of address changes

In order to protect your rights, you should keep your district informed of any changes in your address. You should also keep a copy, for your records, of any notices you send to your district.