



State of Utah

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Utah NetCare: Utah's Alternative Coverage

When an employee experiences an event that causes the insurance through the employer to end, an employee may have a right to extend the employer's plan through COBRA or Utah mini-COBRA. An employee now has an alternative plan option, Utah NetCare. When Utah NetCare, COBRA, or Utah mini-COBRA extension is exhausted, an employee may be eligible for individual coverage, coverage with HIPUtah, or an individual Utah NetCare conversion policy.

What is COBRA and Utah mini-Cobra?

COBRA and Utah mini-COBRA require most group health insurance plans to give employees the opportunity to extend their health insurance when there is a "qualifying event" that would result in a loss of coverage under an employer's plan. A qualifying event could be, but is not limited to:

- the death of the covered employee;
- an employee loses eligibility for coverage due to involuntary termination or a reduction in hours as a result of resignation, discharge (except for "gross misconduct"), layoff, strike or lockout, medical leave, or slowdown in business operations;
- divorce or legal separation that terminates the ex-spouse's eligibility for benefits; or
- a dependent child reaching the age at which he or she is no longer covered.

An employee should be aware of any special enrollment rights they may have when coverage terminates because of a qualifying event listed above. Special enrollment rights allow a person to request enrollment in another group health plan within 30 days after group health coverage terminates.

What is the Utah NetCare Plan?

Utah NetCare was created and passed by the 2009 Utah Legislature for launch January 1, 2010. It is designed as an alternative option under COBRA and Utah mini-COBRA when an employee is extending the employer's group health plan. The Utah NetCare plan offers an employee who was previously insured on the employer's plan, coverage at an expected cost of nearly a third less than the average health plan in Utah. Keep in mind, Utah NetCare does not have the same benefits as the current employer plan.

How much does Utah NetCare cost?

Generally, each former employee is required to pay the entire cost of extended coverage, plus 2%. Because the extended coverage under Utah NetCare is different from the existing employer plan, the cost for the Utah NetCare plan may be less. The amount required to be paid is determined by the type of plan chosen and may or may not be comparable to a similarly situated employee who is not receiving continuation coverage.

How to elect Utah NetCare?

To elect Utah NetCare as alternative coverage, complete the election form, submit it according to the directions on the form, and pay any required premium.

If Utah Alternative Coverage is elected in place of COBRA, certain HIPAA rights are waived. For an employee who elects Utah NetCare, at the end of the extension period the only guaranteed plan option is conversion coverage. Conversion coverage is an individual policy with Utah NetCare plan benefits, but at an increased cost.

How long will extension coverage last?

If an employee elects Utah NetCare or Utah mini-COBRA, coverage may be extended up to 12 months.

If an employee extends the employer's coverage through COBRA, coverage will last:

- up to 18 months if coverage loss is due to end of employment or reduction in hours of employment;
- up to 36 months if coverage loss is due to a death, divorce or legal separation, entitlement to Medicare benefits, or dependent eligibility; or
- when the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare benefits less than 18 months before the qualifying event, coverage can be extended for qualified beneficiaries other than the employee, up to 36 months after the date of Medicare entitlement.

Coverage could end prior to the above time periods. Read the certificate of coverage. Some of the reasons why coverage may end earlier are:

- required premium is not paid in full on time;
- if after electing Utah NetCare or Utah mini-COBRA, another group health plan that does not impose any pre-existing condition exclusion for a pre-existing condition is acquired;
- entitlement to Medicare benefits after electing an extension of coverage; or
- employer ceases to provide any group health plan for its employees.

For more information

This notice does not fully describe the rights under the health plan. More information about rights and details of the plan are available from the employer or insurer.