

## Cancellation Carries Obligations For Groups

You may not be aware of a group's responsibilities when their coverage ends. Whether canceling group coverage with the Blues or that of a member, the group is responsible for:

- Providing BCBSM or BCN with written notice at least 30 days prior to the termination date.
- Following federally mandated notification guidelines for its terminating employees if subject to COBRA.
- Under Public Act 350 of 1980 and the Michigan Insurance Code, Area and ERS employer groups are responsible for notifying a terminated member, whether an employee or an employee's dependent, of his/her group conversion rights within 14 days after the termination date of group coverage. This requirement applies whether the employee has voluntarily ended his/her employment or the termination is involuntary. The lone exception is termination due to "gross misconduct."
- BCBSM and BCN do not automatically issue group conversion applications to terminated members. A terminated member must request an application and apply for group conversion within 30 days of the group coverage termination date. Members who are terminated retroactively may not be eligible for group conversion. A group conversion application received more than 30 days after the group coverage termination date will be denied. The Blues will also deny conversion coverage if the applicant was not enrolled in a group for at least 90 days or if the applicant purchased, but did not exhaust, COBRA. At that point, the only coverage available to the former member will be non-group coverage, which may be subject to a 180-day pre-existing condition waiting period.