

Continuation of Medical Coverage

Your ministry may be used to offering COBRA to employees through your group health plan; however, GuideStone® does not offer COBRA. Instead, we offer something similar called the Medical Continuation Provision (MCP). Like COBRA, MCP allows employees and their families to remain in a GuideStone medical and dental plan after leaving your ministry, but you should be aware of the important differences between the two programs.

Why does GuideStone offer MCP instead of COBRA?

A church plan, like GuideStone's, is established and maintained by a church, convention or association of churches. GuideStone is a nonprofit 501(c)(3) agency of the Southern Baptist Convention, which has been meeting the needs of churches, institutions and other ministry organizations since 1918.

Therefore, our medical coverage plans are self-funded church plans and are not subject to the Employee Retirement Income Security Act of 1974 (ERISA). The Consolidated Omnibus Budget Reconciliation Act, better known as COBRA, is an act amended under the ERISA law. Therefore, GuideStone is not required to offer COBRA.

However, to better serve our participants and your employees, we've established a continuation of coverage program similar to COBRA called MCP.

Differences Between MCP and COBRA

MCP and COBRA both offer continuation of medical and dental coverage through your group health plan, but there are key differences.

- **Employers have a choice.** Under group health coverage plans subject to ERISA, employers are required by law to offer COBRA. But since GuideStone's health plans are not subject to ERISA, our employers are not required to provide COBRA. GuideStone continuation plans are optional and may be offered at the employer's discretion at the time the employer enrolls in GuideStone coverage or at a later date by sending in a written request from your organization's designated decision-maker. **The employee and his or her dependents must apply for MCP within 60 days of losing their eligibility for your GuideStone medical and dental plans.**
- **There are no administrative costs.** Participants using COBRA can be charged an additional administrative fee. By offering MCP instead, your employees will not be burdened with an additional administrative fee layered on their monthly medical charges from GuideStone.

- **No initial medical or dental continuation notice will be sent** to a new hire since GuideStone's health plans are not subject to ERISA and employers are not required to provide COBRA.
- **Employees age 65+ are not eligible for MCP.** In an ERISA plan, a participant may have both COBRA and Medicare coverage if Medicare becomes effective on or before the day the participant elects COBRA. However, GuideStone does not allow a participant age 65 or over to be on MCP. Any MCP in place will terminate when the participant or dependent becomes Medicare-eligible.

Frequently Asked Questions About MCP

Where are the forms located to elect MCP and notify GuideStone?

Visit GuideStone's [Enrollment & Other Forms](#) to access MCP forms required to notify GuideStone of your election.

Who pays for MCP and what are the deadlines for payment?

When your employee is terminated, he or she has **60 days to elect** and pay for medical and dental continuation coverage through MCP. Employees may continue to cover their dependents via MCP, or previously covered dependents can choose to continue on their own without the employee continuing medical or dental coverage.

Your ministry will continue to see the charges for your terminated employee on MCP on your monthly billing statement. **As the individual's former employer, you must collect payment from him or her. The terminated employee will not be directly billed separately by GuideStone.**

If your employee's dependents elect MCP, then your ministry will see the spouse or eldest child's name listed on your monthly billing statement. It is the employer's responsibility to notify GuideStone when continuation of coverage is terminated.

How long does MCP last?

GuideStone employers may choose the length of time they want to offer MCP for their employees and their dependents, with a maximum of 18 months for participants who leave your ministry, are terminated or otherwise lose their eligibility and 36 months for dependents who leave the plan involuntarily. The information below outlines your MCP availability options.

- **MCP coverage for up to 18 months.** Available to employees and their dependents who have become ineligible for your group plan's coverage because of one of the following:
 - Employee has been terminated.
 - Employee's hours have been reduced below the eligible coverage level.
 - Employee has moved into an ineligible class.
- **MCP coverage for up to 36 months.** Available to dependents who have become ineligible for your group plan's coverage because of one of the following:

- Divorce or legal separation from covered employee.
- Loss of status (e.g., dependent child becomes ineligible for coverage because he or she has reached the maximum age limit).

Is evidence of good health required for MCP?

No. Evidence of good health is not required to continue medical and dental coverage through MCP. However, your employee and his or her dependents **must apply for MCP within 60 days of losing eligibility.**

My ministry has employees on COBRA. What happens when we move to GuideStone?

During the bidding process, your GuideStone Insurance Solutions and Services representative will ask if you have employees on COBRA. If you do, you will need to provide the following information:

- All employees and their dependents currently on COBRA
- The start and end dates of all employees and dependents on COBRA

If your employees already have COBRA coverage when you join GuideStone, they will be transitioned to MCP if you elect to offer MCP coverage. If you do not elect MCP coverage, you may need to consult with your prior carrier to discuss continuation options for your COBRA-covered employees as they will not be able to transition into GuideStone's plan.

My ministry uses a third party to administer COBRA. What do we need to do when transitioning our medical coverage to GuideStone?

We want to make the transition as smooth as possible. If you are using a third-party administrator, note these two important steps:

- Educate your COBRA administrator on the major differences between COBRA and GuideStone's MCP. These include:
 - Because you are in a church plan with GuideStone, you are not required to offer COBRA. You may elect MCP within 60 days of an employee's termination.
 - MCP does not have an administrative fee.
- Distribute GuideStone MCP election forms to your employees and their dependents currently on COBRA.

You may also call your Group Plans representative for assistance.



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