**COBRA Insurance**

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**Description:** Information about COBRA insurance coverage.

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| **Overview** |

The Consolidated Omnibus Budget Reconciliation Act (COBRA) gives workers and their families who lose their health benefits the right to choose to continue group health benefits provided by their group health plan for limited periods of time under certain circumstances such as voluntary or involuntary job loss, reduction in the hours worked, transition between jobs, death, divorce, and other life events. Qualified individuals may be required to pay the entire premium for coverage up to 102% of the cost to the plan.

COBRA requires that group health plans sponsored by employers with 20 or more employees in the prior year offer employees and their families the opportunity for a temporary extension of health coverage (called continuation coverage) in certain instances where coverage under the plan would otherwise end.

COBRA outlines how employees and family members may elect continuation coverage. It also requires employers and plans to provide notice.

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| FAQ’s |

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| **#** | **Question** | **Answer** |
| **1** | What is COBRA continuation health coverage? | The Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefit provisions amend the Employee Retirement Income Security Act, the Internal Revenue Code, and the Public Health Service Act to require group health plans to provide a temporary continuation of group health coverage that otherwise might be terminated. |
| **2** | Is COBRA considered a new plan of coverage? | No. COBRA health continues the same line of coverage and is **NOT** a new plan of coverage.  Accumulators, such as Deductible or OOP, will continue to be tracked by paid claims and are added up until they reach the dollar limit set by the plan. |
| **3** | What does COBRA do? | COBRA requires continuation coverage to be offered to covered employees, their spouses, former spouses, and dependent children when group health coverage would otherwise be lost due to certain specific events. |
| **4** | What group health plans are subject to COBRA? | COBRA applies to all group health plans maintained by private-sector employers with 20 or more employees, or by state or local governments.  The law does not apply to plans sponsored by the Federal Government or by churches and certain church-related organizations.  Many states have laws like COBRA, including those that apply to health insurers of employers with less than 20 employees (sometimes called mini-COBRA). |
| **5** | Are there alternatives for health coverage other than COBRA? | Alternatives to COBRA are:   * Health Insurance Market Place * Spouse’s health plan * Medicaid * Parents’ health plan * Children’s Health Insurance Program (CHIP) |
| **6** | Who is entitled to continuation coverage under COBRA? | To be entitled to elect COBRA continuation coverage, your group health plan must be covered by COBRA; a qualifying event must occur; and you must be a qualified beneficiary for that event.  Qualifying events are events that cause an individual to lose his or her group health coverage, such as:  Termination of the employee's employment for any reason other than gross misconduct.  Reduction in the number of hours of employment.  The following are qualifying events for the spouse and dependent child of a covered employee if they cause the spouse or dependent child to lose coverage:   * Termination of the covered employee's employment for any reason other than gross misconduct * Reduction in the hours worked by the covered employee. * Covered employee becomes entitled to Medicare. * Divorce or legal separation of the spouse from the covered employee * Death of the covered employee.   In addition to the above, the following is a qualifying event for a dependent child of a covered employee if it causes the child to lose coverage:   * Loss of dependent child status under the plan rules. |
| **7** | How do I become eligible for COBRA continuation coverage? | To be eligible for COBRA coverage, you must have been enrolled in your employer's health plan when you worked, and the health plan must continue to be in effect for active employees. |
| **8** | How do I find out about COBRA coverage? | Group Health Plans must provide covered employees and their families with certain notices explaining their COBRA rights. Your COBRA rights must be described in the plan's Summary Plan Description (SPD), which you should receive within 90 days after you first become a participant in the plan. |
| **9** | How long do I have to elect COBRA coverage? | If you are entitled to elect COBRA coverage, you must be given an election period of at least 60 days (starting on the later of the date you are furnished the election notice or the date you would lose coverage) to choose whether to elect continuation coverage. |
| **10** | If I waive COBRA coverage during the election period, can I still get coverage later? | Yes, if you waive COBRA coverage during the election period, you must be permitted later to revoke your waiver of coverage and to elect continuation coverage if you do so during the election period. |
| **11** | Under COBRA, what benefits must be covered? | If you elect continuation coverage, the coverage you are given must be identical to the coverage currently available under the plan to similarly situated active employees and their families (this is the same coverage that you had immediately before the qualifying event). |
| **12** | How long does COBRA coverage last? | COBRA requires that continuation coverage extend from the date of the qualifying event for a limited period of 18 or 36 months. The length of time depends on the type of qualifying event.  **Note:** If all required premiums are paid, COBRA coverage starts on the date of the qualifying event. |
| **13** | Can continuation coverage be terminated early for any reason? | A group health plan may terminate coverage earlier than the end of the maximum period for any of the following reasons:   * Premiums are not paid in full on a timely basis. * The employer ceases to maintain any group health plan. * A qualified beneficiary begins coverage under another group health plan after electing continuation coverage. * A qualified beneficiary becomes entitled to Medicare benefits after electing continuation coverage. * A qualified beneficiary engages in conduct that would justify the plan in terminating coverage of a similarly situated participant or beneficiary not receiving continuation coverage (such as fraud).   **Note:**  Refer to **Troubleshooting** section of [CarelonRx Finding a Member and Real Time Resolution of Eligibility Issues (019086)](https://thesource.cvshealth.com/nuxeo/thesource/" \l "!/view?docid=a0135943-3a69-4a5b-b577-f4aa4b6a078a) |
| **14** | Can I extend my COBRA continuation coverage? | If you are entitled to an 18-month maximum period of continuation coverage, you may become eligible for an extension of the maximum time in two circumstances, which are:   * The Social Security Administration (SSA) determines that the qualified beneficiary is disabled before the 60th day of continuation coverage. * The disability continues during the rest of the 18-month period of continuation coverage. |
| **15** | Is a divorced spouse entitled to COBRA coverage from their former spouses' group health plan? | Under COBRA, participants, covered spouses, and dependent children may continue their plan coverage for a limited time when they would otherwise lose coverage due to a particular event, such as divorce (or legal separation). A covered employee's spouse who would lose coverage due to a divorce may elect continuation coverage under the plan for a maximum of 36 months. |
| **16** | Who pays for COBRA coverage? | Your group health plan can require you to pay for COBRA continuation coverage. The amount charged to qualified beneficiaries cannot exceed 102 percent of the cost to the plan for similarly situated individuals covered under the plan who have not incurred a qualifying event. |
| **17** | If I did not make the premium payment on time and my coverage was canceled, what can I do? | You may want to contact your plan and ask if they will reinstate your coverage; however, if your coverage was terminated for not making the payment within the grace period, the plan is not required to reinstate your coverage. |
| **18** | How do I file a COBRA claim for benefits? | Health plan rules must explain how to obtain benefits and must include written procedures for processing claims. You should submit a claim for benefits in accordance with these rules. Claims procedures must be described in the Summary Plan Description. Contact the plan administrator for more information on filing a claim for benefits. |
| **19** | Can I receive COBRA benefits while on FMLA leave? | The Family and Medical Leave Act (FMLA) requires an employer to maintain coverage under any group health plan for an employee on FMLA leave under the same condition’s coverage would have been provided if the employee had continued working. Coverage provided under the FMLA is not COBRA coverage, and taking FMLA leave is not a qualifying event under COBRA. |
| **20** | I have both Medicare and COBRA coverage; how do I know which will pay my benefits? | Medicare is the Federal health insurance program for people who are 65 or older and certain younger people with disabilities or End-Stage Renal Disease. If you are enrolled in Medicare as well as COBRA continuation coverage, there may be special coordination of benefits rules that determine which coverage is the primary payer of benefits. Check your Summary Plan Description to see if special rules apply or ask your plan administrator. For more information on Medicare, visit Medicare.gov or call 1- 800-MEDICARE. |
| **21** | Am I eligible for COBRA if my company closed or went bankrupt and there is no health plan? | If there is no longer a health plan, there is no COBRA coverage available. If, however, there is another plan offered by the company, you may be covered under that plan. Union members who are covered by a collective bargaining agreement that provides for a medical plan also may be entitled to continued coverage |
| **22** | I am a federal employee. Can I receive benefits under COBRA? | Federal employees are covered by a law like COBRA. Those employees should contact the personnel office serving their agency for more information on temporary extensions of health benefits. |
| **23** | Where can I go if I have questions or want more information on COBRA? | For private sector coverage reach out to the group health plan. Employees under the public sector can reach out to the Centers for Medicare and Medicaid Services. |

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