



COBRAcare+ FAQ



The U.S. Department of Labor released an FAQ on COBRA continuation health coverage. Below is a shortened version. For the detailed version, please click [here](#).

What is COBRA continuation health coverage?

The Consolidated Omnibus Budget Reconciliation Act (COBRA) health benefit was created to provide a temporary continuation of group health coverage.

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. COBRA coverage is often more expensive than the amount that active employees are required to pay for group health coverage since the employer usually pays part of the cost of employees' coverage and all of that cost can be charged to individuals receiving continuation coverage.

What group health plans are subject to COBRA?

The law generally 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.

Are there alternatives for health coverage other than COBRA?

If you become entitled to elect COBRA continuation coverage when you otherwise would lose group health coverage under a group health plan, you should consider all options you may have to get other health coverage before you make your decision. There may be more affordable or more generous coverage options for you and your family through other group health plan coverage (such as spouse's plan", the Health Insurance Marketplace, or Medicaid).

How long does COBRA coverage last?

COBRA requires that 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 that gave rise to the COBRA rights.

Who is entitled to continuation coverage under COBRA?

To be eligible for COBRA 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.

Plan Coverage: COBRA covers group health plans sponsored by an employer (private-sector or state/local government) with at least 20 full- and part-time employees more than 50 percent of its typical business days in the previous calendar year.

Qualifying Events: Qualifying events are events that cause an individual to lose his or her group coverage. The type of qualifying event determines who the qualified beneficiaries are for that event and the period of time that a plan must offer continuation.

Qualified Beneficiaries: A qualified beneficiary is an individual covered by a group health plan on the day before a qualifying event occurred that caused them to lose coverage. A qualified beneficiary must be a covered employee, the employee's spouse or former spouse, or the employee's dependent child.

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. COBRA continuation coverage is available upon the occurrence of a qualifying event that would cause an individual to lose his or her health care coverage.

How long do I have to elect COBRA coverage?

You have 60 days (starting on the later of the date you have furnished the election notice or the date you would lose coverage) to choose whether or not to elect continuation coverage.

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.



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.

Under COBRA, what benefits must be covered?

Your COBRA coverage must be identical to the coverage currently available under the plan to similarly situated active employees and their families (generally, this is the same coverage that you had immediately before the qualifying event). While on COBRA, you will also be entitled to the same benefits and choices that a similarly situated participant or beneficiary is currently receiving, such as the right during open enrollment season to choose among available coverage options. You will also be subject to the same rules and limits that would apply to a similarly situated participant or beneficiary, such as co-payment requirements, deductibles, and coverage limits.

Who pays for COBRA coverage?

Generally, you as a covered COBRA participant would be responsible for the premium payments. In addition, group health plans must give each employee and spouse who becomes covered under the plan a general notice describing COBRA rights, also provided within the first 90 days of coverage.

If I do 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.

Can I extend my COBRA continuation coverage?

If you are entitled to an 18 month maximum continuation coverage, you may become eligible for an extension under two circumstances. The first is when a qualified beneficiary is disabled; the second is when a second qualifying event occurs.

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; or
- 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)

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. A qualified beneficiary must notify the plan administrator of a qualifying event within 60 days after divorce or legal separation. After being notified of a divorce, the plan administrator must give notice, generally within 14 days, to the qualified beneficiary of the right to elect COBRA continuation coverage.

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 conditions 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. A COBRA qualifying event may occur, however, when an employer's obligation to maintain health benefits under FMLA ceases, such as when an employee taking FMLA leave decides not to return to work and notifies an employer of his or her intent not to return to work.