

For further information about COBRA, read your employer's group health plan booklet or call your employer group health plan administrator.

For COBRA appeals information or notification rights, you may contact:

U.S. Department of Labor Pension and Welfare Benefits Administration

Division of Technical Assistance and Inquiries
200 Constitution Ave., N.W.
(Room N-5658)
Washington, D.C. 20210

(202) 219-8784 or (202) 219-8776

For further information about:

- Medicare and Medicare+ Choice
- Medicare Supplement insurance
- Medicare Managed Care/HMOs
- Long Term Care insurance
- The Indiana Long Term Care Program
- Help with paying Medicare or prescription costs
- Medicaid

Call 1.800.452.4800
or **1.317.233.3475** (Indianapolis)
www.in.gov/idoi/shiip

The Senior Health Insurance Information Program (SHIIP) is a free, unbiased counseling program provided by the Indiana State Department of Insurance. SHIIP will answer your questions or refer you to the appropriate agency or local SHIIP site.

COBRA

*The Right to Continue
Your Employer Group
Health Benefits*



4/2002

What is COBRA?

COBRA is not the insurance, it is the law, since 1985—the Consolidated Omnibus Budget Reconciliation Act.

COBRA allows for the temporary continuation of employer group health insurance for employees and their dependents, when that insurance would otherwise end.

Insurance plans under COBRA are private health plans, not sold by the government.

The U.S. Departments of Labor and Treasury have jurisdiction over private sector health plans and enforcement of COBRA; the IRS, under the U.S. Department of Treasury, publishes regulations of COBRA provisions, eligibility and premiums.

COBRA does not apply to health plans sponsored by the Federal Government and church-owned organizations. If the employer goes out of business or discontinues his health plan, COBRA does not apply.

How do I sign up for COBRA?

You and any of your dependent beneficiaries must be offered the same health insurance benefits, with the same deductibles and

benefit limits, you were receiving before you qualified for continuation of your health insurance coverage under COBRA (before a qualifying event).

Companies usually send forms to sign up for COBRA within 45 days after your group health insurance has ended. You must sign up within **60 days** of receiving the forms or lose the right to coverage. To sign up, talk to your employer's benefits division. (Forms may never mention the word COBRA, just the opportunity to continue group health insurance coverage.)

What does COBRA cost?

You will usually pay the entire premium including any portion the employer has been paying, plus a 2% administrative charge.

What events qualify me for COBRA benefits?

Specific events determine who is a qualified beneficiary and how much time an employer group health plan must offer the continuation of health coverage under COBRA. (Again, a qualified beneficiary could be an employee, a spouse, and/or a dependent child.) These events are listed on the chart.

How long am I covered by COBRA?

How long the employer group health plan must offer continuation of coverage depends on the type of qualifying event. COBRA specifies the minimum required periods of time that continued group health coverage must be offered to qualified beneficiaries. However, a plan may provide a longer period of coverage beyond those required by COBRA. The required periods are on the chart below.

What if I am disabled?

- If you qualify for Social Security disability benefits and your disability began before the COBRA

qualifying event or within 60 days of the start of COBRA, special rules extend the 18 months of coverage an additional 11 months—to a total of 29 months.

- Once a disability determination is made, you must give notice to the Plan Administrator (in the former employer's benefit division) within 60 days of receiving the determination (this increases the period of coverage to 29 months)
- After the normal period of coverage (18 months) is completed, the premium may increase to 150% of plan's total cost of coverage, for the last 11 months of COBRA coverage for disabled beneficiaries.

If I continue my health coverage under COBRA, do I need Medicare?

If you are *not actively working* when you become eligible for Medicare, you *should* enroll. If you don't enroll and aren't actively working, you may be charged penalties for enrolling late and your Medicare coverage could be delayed for many months. Call your local Social Security office or the Senior Health Insurance Information Program (SHIIP) for more information.

When does COBRA coverage end?

When one of these situations happen, COBRA coverage will usually end:

- Minimum period of coverage is reached (18, 29, or 36 months). The employer has the right to extend the coverage longer.
- Premiums are not paid on time.
- Employer stops offering a group health plan or goes out of business.
- Beneficiary gets full or equivalent coverage with another employer group health plan, after being on COBRA.

- Beneficiary enrolls in Medicare Part A or B after already being on COBRA.

*Note: Beneficiary includes covered employees, spouses, and dependent children.

Who is eligible for COBRA?

- Employer size**—The employer must have 20 or more employees on at least 50% of the working days in the previous calendar year.
- Plan coverage**—You (employee, spouse and/or dependent child) must be in the employer group health plan on the day before the “qualifying event.” The spouse and/or dependent child can elect to continue coverage even if the employee does not.
- Qualifying event**—A specific event happens that causes you to lose employer group health care coverage (see enclosed chart).

IF YOUR EMPLOYER HAS LESS THAN 20 EMPLOYEES, YOU MAY HAVE THE RIGHT TO AN INDIVIDUAL INSURANCE POLICY FROM THE INSURANCE COMPANY THAT PROVIDED YOUR GROUP HEALTH COVERAGE. YOU MUST REQUEST THE CONVERSION POLICY **WITHIN 30 DAYS** OF YOUR GROUP COVERAGE ENDING.

Qualifying Event	Covered Beneficiary	Minimum Period of Coverage
Voluntary or involuntary termination of employee or reduction of employee work hours	Employee gets.....	18 months
	Spouse gets.....	18 months
	Dependent Child gets.....	18 months
Employee enrolls in Medicare Part A or B	Employee gets.....	None
	Spouse gets.....	36 months
	Dependent Child gets.....	36 months
Employee dies or there is a Divorce/legal separation	Spouse gets.....	36 months
	Dependent Child gets.....	36 months
Loss of “Dependent Child” Status	Dependent Child gets.....	36 months

*Note: A *second qualifying event* during the initial period of coverage, may extend coverage to a total of 36 months under COBRA. If you or a covered dependent's status changes after they are under COBRA (marital, dependent status, disability status, death), you should contact the plan's administrator **immediately**, to see if COBRA coverage will be extended. If you are already on Medicare Part A or B when a COBRA qualifying event happens, you must be offered a continuation of coverage!