

# Community Legal Aid

A non-profit law firm serving the legal needs of low-income individuals and families in central northeast Ohio



[www.communitylegalaid.org](http://www.communitylegalaid.org)

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## COBRA: Continuation of Group Health Coverage

A federal law called COBRA (Consolidated Omnibus Budget Reconciliation Act) gives the right in certain situations to have health coverage at group rates for a limited time (18 to 36 months).

### **Who qualifies for extended coverage under COBRA?**

This coverage is only available to certain persons when coverage is lost due to specific events.

To qualify for COBRA benefits, you must meet all three elements below:

Your employer must already provide a group health plan and have 20 or more employees. Part-time employees are counted on a fractional basis.

COBRA applies to employees, the employee's spouse or an employee's dependent child who are covered by a group health plan.

The employee, spouse or dependent face losing health coverage for one of the following reasons. These are called qualifying events.

### **Employees:**

- Termination of employment other than for gross misconduct;
- Reduction in the number of hours of employment;
- Eligibility for Medicare.

### **Spouses:**

- Voluntary or involuntary 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's becoming entitled to Medicare
- Divorce or legal separation of the covered employee
- Death of the covered employee

## Dependent Children:

same as for spouses with one addition

- Loss of dependent child status under the plan rules.

## How Do I find Out About COBRA?

- The employer must tell the employee about COBRA when coverage under a group health plan begins.
- The plan administrator must notify the employee of the right to continue coverage after a qualifying event happens.
- The employee must notify the plan administrator of divorce, legal separation, disability or minor child losing dependent status.
- The employee or spouse or child has 60 days to elect to sign up for extended insurance coverage.

## Do I have to pay for extended coverage?

Usually, yes. The premium cannot be more than 102% of the usual cost of the plan. Premiums may be increased. Other terms may apply. **The first payment must be made within 45 days after you elect to take COBRA.** You must pay co-payments and deductibles. There may be benefit limits.

## How do I file a COBRA claim for benefits

Submit a claim for benefits under your plan's rules for filing claims. If the claim is denied, you must be given notice of the denial in writing (usually within 90 days). The notice should state the reasons for the denial, any additional information needed, and how to appeal the denial.

You will have at least 60 days to appeal a denial. You must receive a decision on the appeal generally within 60 days after that.

Contact the plan administrator for more information on filing a claim for benefits. Complete plan rules are available from employers or benefits offices. There can be charges up to 25 cents a page for copies of plan rules.

## Under COBRA, what benefits must be covered

Generally, coverage should be the same as before. A change in the benefits for the active employees will also apply to qualified beneficiaries.

## How long does COBRA coverage last?

Generally, COBRA beneficiaries are eligible for group coverage for up to 18 months due to employment termination or reduction of hours of work. Certain qualifying events, or a second qualifying event during the initial coverage, may extend coverage to 36 months. Other laws may extend coverage. See [www.dol.gov](http://www.dol.gov) for more information.

Coverage may end earlier if:

- Premiums are not paid timely
- The employer ceases to maintain any group health plan
- Coverage is obtained with another employer group health plan with no pre-existing limitation
- After the COBRA election, a beneficiary becomes entitled to Medicare benefits.

COBRA does not prohibit plans from offering continuation health coverage that goes beyond the COBRA periods.

### **Can I qualify for longer coverage?**

Maybe.

Disability can extend the 18 month period of continuation coverage for a qualifying event that is a termination of employment or reduction of hours. See [dol.gov](http://dol.gov) for specific information on how to qualify.

### **Can I receive COBRA benefits while on FMLA leave**

The Family and Medical Leave Act 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 FMLA leave is not a qualifying event under COBRA.

For more information, go to the Department of Labor website: [www.dol.gov](http://www.dol.gov)

*This article is meant to give you general information and not to give you specific legal advice. Prepared by Community Legal Aid Services, Inc. Updated April, 2012. CE-52-F182-CLAS*

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