

Understanding Your COBRA Benefits



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This guide is designed to answer many questions you may have regarding your COBRA benefits. Please refer to your General COBRA Notice or the COBRA Election Notice for more information.

Q. How long do I have to be covered under the company insurance before I or my covered dependents are eligible for COBRA?

A. As long as you were covered on the day prior to the Qualifying Event, you are eligible for COBRA.

Q. What is a Qualifying Event?

A. The common events are:

- Termination of employment
- Reduction of hours.
- Divorce or Legal Separation
- Cessation of dependent status
- Employee death
- Failure to return from FMLA
- Employee entitlement to Medicare
- Certain Employer Bankruptcy

Q. How long can I continue coverage?

A. As an employee, the coverage for yourself and covered dependents can be continued for 18 months for termination or reduction of hours. Your dependents coverage can continue for 36 months as a result of divorce or legal separation, cessation of dependent status, employee entitlement to Medicare, or employee death.

Q. Is my Domestic Partner covered?

A. In most cases, if your Domestic Partner was covered prior to the Qualifying Event, they will be provided COBRA-like benefits. They can continue coverage but are not eligible for secondary events

because the IRS does not deem them to be COBRA eligible.

Q. Why is my COBRA premium so high?

A. While you were employed, the employer paid some or all of the premium for yourself and covered dependents. Once you go on COBRA, you pay the entire premium plus a 2% administrative fee.

Q. What if I am disabled?

A. If it is determined by the Social Security Administration (SSA) that you were disabled within the first 60 days of COBRA coverage and you receive the determination from SSA prior to the 18th month of COBRA coverage, you may be continued up thru the 29th month for yourself and covered dependents. The premium for the disabled Qualified Beneficiary can be increased to 150%.

Q. I read about the envelope postmark being important. What does this mean?

A. All of the notice dates, response dates, and payment dates are based upon the postmark on the envelope, not when it is placed for mail pickup or when it is received.

Q. How do I elect COBRA?

A. Once you receive your COBRA Election Notice, you have 60 days from the postmark to elect COBRA coverage. When we receive your election form, we will send you a coupon book covering the remainder of the insurance Plan Year and any insurance forms (if required). You must return all forms and premiums covering the period from your loss of coverage.

Q. I called my doctor or requested a prescription but was told that I am not covered. Am I covered?

A. Your employer terminates your coverage at termination or the loss of coverage date. It is not reinstated until you return any required forms and in most cases, the COBRA premium due to-date. Once reinstated, the insurance carrier will reimburse you for covered expenses less any co-pay or deductible. If you belong to an HMO, it is important to return forms as soon as possible if you anticipate medical expenses during the election period. Once we receive your forms, it can take insurance carriers 3-7 business days to reinstate you.

Q. If I didn't need or use my insurance during the election period, why do I have to pay all of the back premiums?

A. COBRA is a federal law providing certain rights to continue your Health, Dental, Vision, Health Flexible Spending Account, and certain EAP's. It also imposes certain responsibilities. Paying all premiums due from the loss of coverage is one of them.

Q. Can my COBRA premium Change?

A. Yes. If the employer's insurance premium increases, your COBRA premium will also increase.

Q. Can my employer change my insurance carrier?

A. Only if they change insurance carriers. If they terminate with one carrier and replace it with another, you will be offered the opportunity of completing the forms for the new carrier.

Q. Can I make changes to my coverage(s)?

A. You have the same right to change coverage as active employees. Therefore, if you have an event

The COBRA Checklist

- The employer terminates your coverage with the insurance carriers at termination or the loss of coverage (in many cases this is the end of the month).
- The employer notifies COBRA Plus that your coverage terminated within 30 days of the loss of coverage.
- COBRA Plus will send you a COBRA Election Notice (Qualifying Event) within 14 days by First Class Mail to the last known address. Separate letters will be sent to Qualified Beneficiaries who do not reside at the same location.
- You have 60 days from the postmark on the envelope of the Election Notice to make your COBRA election. The Insurance Carrier may require additional forms to be completed
- Your first payment including amounts due to-date must be mailed (postmarked) within 45 days of your COBRA Election.
- Once COBRA Plus receives your COBRA Election, Insurance Carrier forms (if any), and payment, the coverages elected will be reinstated back to the loss of coverage.
- Future payments are due on the 1st of each month and must be mailed (postmarked) by the 30th day. Late payments result in the termination of COBRA Benefits.
- Coverage will continue for 18, 29, or 36 months depending upon the qualifying event.
- You will be notified of your conversion rights (if any) within 180 days of the end of COBRA coverage.
- Eligible California residents will be notified by the Health Insurance Carrier about Cal-COBRA extension within 90 days of the end of Federal COBRA coverage. Application must be made within 30 days of the end of COBRA. Contact the insurance carrier for more information.

such as a birth or marriage that would have allowed you to change you coverage as an active employee, you can make the same change as a COBRA participant. You can also make coverage changes or add dependents during any open enrollment period. If this occurs, you will be provided rates, benefit summaries and enrollment forms. While your dependents may be

added, they will not be a Qualified Beneficiary.

Q. If I am a Qualified Beneficiary enrolled in an HMO and move out of the service area, must I be offered alternative coverage?

A. If the employer has other coverage available and would offer active employees, in a similar situation, the right to change coverage, yes. Otherwise, no other coverage must be made available. Benefits would be limited.

Q. Are Health Flexible Spending Accounts subject to COBRA?

A. If you had a positive balance in your account, you will be offered COBRA thru the end of the Plan Year.

Q. When are my premiums due?

A. Your first premium is due 45 days from your COBRA election. Subsequent premiums are due the 1st of each month but must be postmarked no later than the 30th. The insurance carrier has the right to suspend you coverage between the 1st and 30th, reinstating benefits when premiums are received.

Q. How does Cal-COBRA affect me?

A. If your previous insurance coverage was fully insured and not a self-insured plan, you may be eligible for Cal-COBRA. Eligible California residents can extend their coverage to a total of 36 months from the Qualifying Event at a premium of 110%. The insurance carrier will notify you of your eligibility. Certain seniors terminating between 60 and 65 with 5 years of service may be eligible for Senior COBRA. The Cal-COBRA extension generally applies to medical coverage only.