



# TIPS

from the Consumer Health Action Network

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**2010 COBRA Update** The new program to help you pay COBRA bills has been updated. It will now pay 65% of your COBRA premium for up to fifteen months. To be eligible for the subsidy, you have to have been “involuntarily terminated” (laid off) from your job between September 1, 2008 and February 28, 2010. If you decided not to sign up for COBRA when you first lost your job, you may be given another chance to sign up and get help paying the premiums. People who have reached the end of the original subsidy period will have more time to pay premiums that were due before you got a notice. Finally, people who had reached the end of their COBRA subsidy in December 2009 and paid the full COBRA premium should contact their plan administrator or employer to get a credit. For more information contact the Human Resources Department of your former employer, call the US Department of Labor at 1-866-444-3272, or visit their website here [www.dol.gov/ebsa/faqs/faq-cobra-premiumreductionEE.html](http://www.dol.gov/ebsa/faqs/faq-cobra-premiumreductionEE.html). You can always call us toll-free at 1-888-873-4585 with any questions.

## What is COBRA?

COBRA is a federal law that allows you and your dependents to continue your health coverage after your employer insurance ends for any number of reasons. COBRA coverage is temporary and the length of the coverage (18 months or 36 months) depends on the reason why your insurance ended.

### Do I and/or my family qualify for COBRA and how long does it last?

Employees are eligible for COBRA insurance when they retire, quit, are fired, or work fewer hours. COBRA insurance will also cover surviving, divorced, or separated spouses, dependent children and children who lose their dependent status under their parent’s plan. (Children lose their dependent status through marriage, by reaching age 19, or age 23 if the child is a full-time student). Retirees can qualify for COBRA if their former employer files for bankruptcy.

Qualified Person	Reason you lost coverage	Period of Coverage
Employee Spouse Dependent Child	Termination Reduced hours	18 months*
Spouse Dependent Child	Entitled to Medicare Divorce or legal separation Death of covered employee	36 months
Dependent Child	Loss of dependent child status	36 months

Source: US DOL COBRA Fact Sheet, 2006

\*The 18-month coverage may be extended if the beneficiary is considered disabled under COBRA conditions

### How are federal COBRA and Connecticut COBRA different?

The Connecticut COBRA plan is a little more comprehensive than the federal plan. There are two additions to the state law that might benefit you.

- Federal COBRA applies only to employers with 20 or more employees but in CT workers at companies of any size are covered by COBRA.
- If a CT employee loses coverage between the ages of 62 and 65 and the employee is eligible for COBRA, then CT law requires the employer to offer COBRA coverage until the person reaches age 65 (when Medicare starts), regardless the number of months involved.

### Is COBRA a good deal? How much will it cost?

COBRA insurance is not cheap. It varies depending on the employer, but under COBRA you may have to pay up to 102% of your monthly total health insurance premium, both the part you used to pay as an employee but also the part the company paid. Some people may qualify for a 65% federal subsidy of COBRA premiums; see the box at the top of this tip sheet. While these rates are much higher than what you paid while working, they are generally lower than private individual insurance rates. The coverage you get under COBRA is similar to what you had while you were employed, but you may be responsible for paying all the costs related to the deductibles and have limits on some benefits.

### How do I sign up for COBRA coverage?

Once your insurance ends, your employer must give you written notice of your rights under COBRA. Then, you have 60 days from the date of the notice or the day your previous coverage ended, whichever is later, to decide if you want to sign up for COBRA. If you do not sign up within this time period, you cannot decide to sign up later unless you qualify under the new federal law described at the beginning of this tip sheet. If you sign up, the health premiums are retroactive, so they start from the day you leave the company. The first premium payment must be made within 45 days of sign up, and you will have a 30-day grace period for the rest of the payments. The insurance companies have no obligation to send you any premium notices.

You can sign up for COBRA for the full coverage time, or discontinue it when you find another health insurance plan. Spouses and dependent children can sign up for COBRA independently after the employee has lost coverage. In other words, if your child suddenly gets sick within the 60 days, he or she can get coverage without you signing up for COBRA.

### What alternatives do I have for insurance if I don't use COBRA?

COBRA might not be the cheapest or best option for continuation of health insurance coverage. Depending on your circumstances, there might be other alternatives that should be explored. The following chart has a few of the options you might consider, but there are many other insurance plans which might fit well:

Types Insurance	General Overview	For more information:
Charter Oak Health Plan	A state program for people who don't qualify for public coverage programs like HUSKY, Medicaid or Medicare.	<a href="http://www.charter oakhealthplan.com">www.charter oakhealthplan.com</a>
MEHIP	You may be able to buy into the state employee health plan if you are now self-employed or have formed a small business.	<a href="http://www.ctmehip.com">www.ctmehip.com</a>
CT Temporary Health Insurance	These plans should be considered if you're looking for a job and it will be a few months before you get one. The plans are usually found through a private health insurance company.	For CT approved insurance policies: <a href="http://www.ct.gov/cid/cwp/view.asp?a=1267&amp;q=254440">www.ct.gov/cid/cwp/view.asp?a=1267&amp;q=254440</a>
Individual Health Insurance	These insurance plans are for individuals and families who can afford to buy their own policies. These are usually the most expensive option, but they are also the most flexible.	General Information on health insurance: <a href="http://www.ahrq.gov/consumer/insuranceqa">www.ahrq.gov/consumer/insuranceqa</a>
CT Reinsurance Association (CHRA)	This is insurance for high-risk CT residents ages 19-65 with pre-existing conditions who have been denied individual insurance policies.	<a href="http://www.hract.org/hra/">www.hract.org/hra/</a> (800) 842-0004
State Health Plans	There are number of plans run by the state for both adults and children, including HUSKY, SAGA and Title 19. Qualification for many of these plans depends on income.	<a href="http://www.ct.gov/dss">www.ct.gov/dss</a> (800) 842-1508

If you would like more information about your Cobra Insurance options, please contact your companies HR department or the U.S. Department of Labor Employee Benefits Security Administration (Tel: (617) 565-9600 or [www.dol.gov/ebsa/](http://www.dol.gov/ebsa/)).

**Call the Consumer Health Action Network toll-free at 1-888-873-4585 for more information and to sort out which options will work for you and your family.**