



COBRA Pennsylvania

Comparison of Federal and Pennsylvania Continuation Laws

Type	FEDERAL (COBRA)	PENNSYLVANIA (Mini COBRA)
Covered Employers and Health Plans	Group health plans maintained by private-sector employers with 20 or more employees . Most group health plans maintained by governmental employers are required to offer COBRA. However, group health plans maintained by churches are exempt from COBRA.	Small employers (between 2-19 employees) that offer a group health plan providing hospital, surgical or major medical benefits (not including specific diseases or accidental injuries only) must offer continuation coverage to eligible employees and dependents. Self-insured ERISA plans are not subject to state continuation coverage requirements. All group health plan policies that offer dependent coverage are required to offer extended coverage to certain dependents up to age 30. Employers can choose whether to include the extended coverage option in their plans.
Qualified Beneficiaries	An employee, spouse or dependent child covered by a group health plan on the day before a qualifying event. In addition, any child born to or placed for adoption with a covered employee during the period of COBRA coverage is considered a qualified beneficiary.	Covered employees, spouses and dependent children who have been continuously insured under the group policy for the entire three-month period immediately preceding a qualifying event. A child who is born to or placed for adoption with a covered employee during a period of continuation coverage is also a qualified beneficiary. Continuation coverage is not available to any person who: <ul style="list-style-type: none"> • Is covered by (or eligible for) Medicare; • Fails to verify that he or she is ineligible for employer-based group health coverage as an eligible dependent; or



		<ul style="list-style-type: none"> Is (or could be) covered by any other group health coverage that the individual was not covered by immediately prior to the qualifying event. <p>To qualify for extended dependent coverage, a dependent must be a Pennsylvania resident or a full-time student, must be unmarried and have no dependents and must not be covered by other health insurance or a government health care program.</p>
Qualifying Events	<p>Events that trigger an obligation to offer COBRA coverage include:</p> <ul style="list-style-type: none"> Termination of employment for reasons other than gross misconduct (all qualified beneficiaries); Reduction in the number of hours of employment (all qualified beneficiaries); Covered employee's becoming entitled to Medicare (spouse and dependent children); Divorce or legal separation of the covered employee (spouse and dependent children); Death of the covered employee (spouse and dependent children); and Loss of dependent child status under the plan (dependent children). 	Same as COBRA
Maximum Continuation Period	<p>The maximum duration of COBRA coverage depends on the type of qualifying event, as follows:</p> <p>18 months - Employment termination or reduction in hours of work</p> <p>29 months – The Social Security Administration (SSA) determines the qualified beneficiary is disabled during the first 60 days of COBRA coverage. This 11-month extension applies to the qualified beneficiary with the disability and all of the qualified beneficiaries in the family.</p> <p>36 months – Divorce or legal separation, employee's death, entitlement to Medicare or loss of dependent child status</p>	<p>Generally, continuation coverage is available for nine months.</p> <p>A dependent eligible for extended dependent coverage may be covered up to age 30.</p>

	<p>36 months – After a qualifying event that is an employment termination or a reduction in hours of work, a second qualifying event occurs that is the death of the employee, the divorce or legal separation of the covered employee and spouse, Medicare entitlement (in certain circumstances) or loss of dependent child status under the plan.</p>	
<p>Early Termination of Coverage</p>	<p>COBRA coverage may end earlier than the maximum continuation period if:</p> <ul style="list-style-type: none"> • Premiums are not paid on a timely basis; • The employer ceases to maintain any group health plan; • After the COBRA election, coverage is obtained with another employer group health plan that does not contain any exclusion or limitation with respect to any pre-existing condition of the beneficiary; or • After the COBRA election, a beneficiary becomes entitled to Medicare benefits. <p>Also, when a qualified beneficiary’s COBRA coverage has been extended due to disability and the qualified beneficiary is no longer disabled, coverage may terminate at the end of the maximum coverage period that applies without regard to the disability extension or, if later, the first day of the month that is more than 30 days after a final determination by the SSA that the qualified beneficiary is no longer disabled.</p>	<p>Continuation coverage begins on the date that coverage would otherwise have been lost by reason of a qualifying event and will end at the end of the maximum period. It may end earlier if:</p> <ul style="list-style-type: none"> • Individual is eligible for Medicare or other group health coverage, whether or not they actually enroll for that coverage; • Individual fails to verify that he or she is not eligible for employer-based health insurance as a dependent; • Premiums are not paid on a timely basis; or • Group policy is terminated. <p>Extended dependent coverage may end if the dependent fails to meet the eligibility criteria set forth above or in the terms of the plan or policy.</p>

Notice Requirements	<p>Health plan administrators must provide an initial general notice when group health coverage begins. When a qualifying event occurs, health plan administrators must provide an election notice regarding rights to COBRA continuation benefits to each qualifying beneficiary who loses plan coverage in connection with the qualifying event.</p> <p>Qualified beneficiaries must respond to this notice and elect COBRA coverage by the 60th day after the written notice is sent or the day health care coverage would end, whichever is later.</p> <p>Additional COBRA notice requirements apply under federal law.</p>	<p>Employers must notify their plan administrators, the covered employee and insurer of a qualifying event within 30 days of a qualifying event. Notice to the covered employee must include information on continuation coverage rights.</p> <p>Employee must respond to this notice and elect coverage within 30 days of notice.</p> <p>Covered employee or eligible dependent must provide a written notice within 14 days if not eligible for continuation coverage (for example, because he or she is covered by or eligible for Medicare or other group health coverage).</p> <p>The plan administrator must provide a notice to the insurer within 14 days of a qualified beneficiary's election to continue coverage.</p>
Premium Rules	<p>The maximum amount charged to qualified beneficiaries cannot exceed 102 percent of the plan's total cost of coverage for similarly situated individuals. For qualified beneficiaries receiving the 11-month disability extension, the premium for those additional months may be increased to 150 percent of the plan's total cost of coverage.</p> <p>Plans must provide at least 45 days after the election for making an initial premium payment. The plan sponsor may establish due dates for later payments, but it must provide a minimum 30-day grace period for each payment.</p>	<p>The qualified beneficiary who is requesting continuation coverage must pay the required monthly premium for the coverage. The premium contribution may not be more than 105 percent of the group rate of the insurance being continued.</p>
Applicable Statutes	<p>IRC § 4980B, ERISA §601 <i>et seq.</i>, 29 CFR §§ 2590.606–1 through 2590.606–4.</p>	<p>40 P.S. §752.1 (extension for dependent children); 40 P.S. §764j (mini-COBRA)</p>
Government Agency Contact	<p>Departments of Labor and Treasury (private sector plans) and Department of Health and Human Services (public sector plans). More information on COBRA coverage is available from the Department of Labor.</p>	<p>Pennsylvania Insurance Department</p>