



COBRA

OREGON

Comparison of Federal and Oregon Continuation Laws

Oregon has made changes to its mini-COBRA law intended to align with the ACA. The Oregon mini-COBRA law now applies both to coverage under a health plan that is grandfathered for purposes of the ACA and to a policy providing coverage for one or more of the essential health benefits. With respect to policies providing coverage for the ACA's essential benefits, the law is clarified to provide that mini-COBRA coverage must be offered in the same manner as provided to other certificate holders under the group health insurance policy. (Under prior law, mini-COBRA coverage could exclude benefits for dental, vision care or prescription drug expenses.)

	FEDERAL (COBRA)	OREGON
Covered Employers and Plan Coverage	<p>Group health plans maintained by private-sector employers with 20 or more employees, employee organizations, or state or local governments.</p> <p>Coverage must be identical to that available to similarly situated beneficiaries who are not receiving COBRA coverage under the plan (generally, the same coverage that the qualified beneficiary had immediately before qualifying for continuation coverage).</p>	<p>State continuation coverage is only available when federal COBRA does not apply. It applies to the following health insurance plans:</p> <p>The obligation to offer COBRA coverage applies to:</p> <ul style="list-style-type: none"> • A grandfathered health plan providing coverage under a group health insurance policy for hospital or medical expenses, other than coverage limited to expenses from accidents or specific diseases; and • A group health insurance policy that provides coverage for one or more of the essential health benefits, other than a grandfathered plan. <p>The continued coverage must be offered in the same manner as it is provided to other certificate holders under the group policy.</p>
Qualified Beneficiaries (Employee / Dependents)	<p>An employee, spouse or dependent child covered by a group health plan on the day before a qualifying event.</p> <p>In certain cases, a retired employee, the retired employee's spouse and the retired employee's dependent children may be qualified beneficiaries.</p> <p>In addition, any child born to or placed for adoption with a covered employee during the</p>	<p>A covered person who is a certificate holder under a group health insurance policy.</p> <p>Spouse or dependent child of a covered person who, on the day before a qualifying event, was insured under the covered person's group health insurance policy.</p>

	<p>period of COBRA coverage is considered a qualified beneficiary.</p> <p>Agents, independent contractors, and directors who participate in the group health plan may also be qualified beneficiaries.</p>	<p>A child born to or adopted by a covered person during the period of the continuation of coverage.</p>
<p>Continuation Period</p>	<p>18 months - COBRA beneficiaries generally are eligible for group coverage during a maximum of 18 months for qualifying events due to employment termination or reduction of hours of work.</p> <p>29 months - Disability can extend the 18-month period of continuation coverage for a qualifying event that is a termination of employment or reduction of hours. If certain requirements are met, the entire family qualifies for an additional 11 months of COBRA continuation coverage. Plans can charge 150% of the premium cost for the extended period of coverage.</p> <p>36 months - Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.</p> <p>36 months - Under COBRA, participants, covered spouses and dependent children may continue their plan coverage when they would otherwise lose coverage due to divorce (or legal separation) for a maximum of 36 months.</p>	<p>9 months</p>
<p>Qualifying Events</p>	<p>Qualifying Events for Employees:</p> <ul style="list-style-type: none"> • Voluntary or involuntary termination of employment for reasons other than gross misconduct (18 months) • Reduction in the number of hours of employment (18 months) <p>Qualifying Events for Spouses:</p> <ul style="list-style-type: none"> • Voluntary or involuntary termination of the covered employee's employment for any reason other than gross misconduct (18 months) • Reduction in the hours worked by the covered employee (18 months) • Covered employee's becoming entitled to Medicare (36 months) • Divorce or legal separation of the covered employee (36 months) • Death of the covered employee (36 months) 	<p>Qualifying Events for Employees, Spouses and Dependents:</p> <ul style="list-style-type: none"> • Voluntary or involuntary termination of the employment of a covered person (9 months) • Reduction in hours worked by a covered person (9 months) • A covered person becoming eligible for Medicare (9 months) • A qualified beneficiary losing dependent child status under a covered person's group health insurance policy (9 months) • Termination of membership in the group covered by the group health insurance policy (9 months)

	<p>Qualifying Events for Dependent Children:</p> <ul style="list-style-type: none"> • Loss of dependent child status under the plan rules (36 months) • Voluntary or involuntary termination of the covered employee's employment for any reason other than gross misconduct (18 months) • Reduction in the hours worked by the covered employee (18 months) • Covered employee's becoming entitled to Medicare (36 months) • Divorce or legal separation of the covered employee (36 months) • Death of the covered employee (36 months) 	<ul style="list-style-type: none"> • The death of a covered person (9 months) • Dissolution of marriage with certificate holder (9 months)
Eligibility	<p>To be eligible for COBRA coverage, must have been enrolled in employer's health plan when employed and health plan must continue to be in effect for active employees. COBRA continuation coverage is available upon the occurrence of a qualifying event that would, except for the COBRA continuation coverage, cause an individual to lose his or her health care coverage.</p>	<p>An individual who was a certificate holder under a group health insurance policy on the day before a qualifying event and during the three-month period ending on the date of the qualifying event.</p> <p>Qualified beneficiaries who were covered under the certificate holder's group health insurance policy on the day before a qualifying event.</p> <p>Continuation coverage <u>not</u> available if eligible for:</p> <ul style="list-style-type: none"> • Medicare; or • The same coverage offered under any other program that was not covering the covered person or qualified beneficiary on the day before a qualifying event.
Notice Requirements	<p>Health plan administrators must provide an initial general notice when group health coverage begins.</p> <p>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>Employers must notify their plan administrators within 30 days after an employee's termination or after a reduction in hours that causes an</p>	<p>If an insurer terminates the group health insurance coverage of a covered person or qualified beneficiary without providing replacement coverage the insurer shall provide written notice of right to continuation coverage to the covered person or beneficiary no later than 10 days after the insurer is notified of the qualifying event.</p> <p>A covered person or qualified beneficiary who wishes to continue</p>

	<p>employee to lose health benefits.</p> <p>The plan administrator must provide notice to individual employees of their right to elect COBRA coverage (election notice) within 14 days after the administrator has received notice from the employer.</p> <p>Employee 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 ceased, whichever is later. Otherwise, employee will lose all rights to COBRA benefits.</p> <p>Spouses and dependent children covered under such health plan have independent rights to elect COBRA coverage upon employee's termination or reduction in hours.</p>	<p>coverage must provide the insurer with a written request for continuation. Effective Jan. 1, 2014, the insurer will prescribe a deadline for the request, but the insurer may not require a request to be submitted less than 10 days after the later of the date of a qualifying event or the date the insurer provides the notice of the right to continue coverage.</p>
Termination of Coverage	<p>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"> • 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. However, if other group health coverage is obtained prior to the COBRA election, COBRA coverage may not be discontinued, even if the other coverage continues after the COBRA election. • After the COBRA election, a beneficiary becomes entitled to Medicare benefits. However, if Medicare is obtained prior to COBRA election, COBRA coverage may not be discontinued, even if the other coverage continues after the COBRA election. 	<p>Continuation coverage shall end upon the earliest of:</p> <ul style="list-style-type: none"> • 9 months after the date of the qualifying event that was the basis for the continuation of coverage; • End of period for which last timely payment was made; • Eligibility for Medicare; • Eligibility for the same coverage offered under any other program that was not covering the covered person or qualified beneficiary on the day before a qualifying event; or • Policy is terminated by employer or otherwise.
Conversion Rights	<p>Some plans allow participants and beneficiaries to convert group health coverage to an individual policy. If this option is generally available from the plan, a qualified beneficiary who pays for COBRA coverage must be given the option of converting to an individual policy at the end of the COBRA continuation coverage period. The option must be given to enroll in a conversion health plan within 180 days before COBRA coverage ends. The premium for a conversion policy may be more expensive than the premium</p>	<p>Statute is silent.</p>

	of a group plan, and the conversion policy may provide a lower level of coverage. The conversion option, however, is not available if the beneficiary ends COBRA coverage before reaching the end of the maximum period of COBRA coverage.	
Other		<p>Layoff: Where employment is terminated by layoff, a covered person will not be subject to any waiting period upon rehire occurring within 9 months of layoff, if covered person was eligible for coverage at time of termination and regardless of whether coverage was continued during layoff.</p> <p>Surviving, divorced or separated spouse age 55 or older: A group health insurance policy providing coverage for hospital or medical expenses, (other than coverage limited to expenses from accidents or specific diseases), must contain a provision that the surviving spouse and the divorced or legally separated spouse and any dependent children of a certificate holder may continue coverage under the policy, at the:</p> <ul style="list-style-type: none"> • Death of the certificate holder; or • Upon dissolution of marriage with, or legal separation from, the certificate holder.
Applicable Statutes	IRC § 4980B, ERISA §601 <i>et seq.</i>	Oregon Revised Stats. §§ 743.600-602, 743.610, H.B. 2240
Government Agency Contact	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 at: www.dol.gov/dol/topic/health-plans/cobra.htm .	Oregon Insurance Division (503) 947-7980

This Chart is provided to you for general informational purposes only. It broadly summarizes state and federal statutes, but does not include references to other legal resources (for example, supporting regulations, or formal or informal opinions of state offices of commissioners of insurance) unless specifically noted. Please seek qualified and appropriate counsel for further information and/or advice regarding the application of the topics discussed herein to your employee benefits plans.

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