

## **COBRA FAQ**

**Q) What is COBRA?**

A) The Consolidated Omnibus Reconciliation Act (COBRA) is a federal law offering you an opportunity to temporarily continue the same group benefits after your coverage as an employee or an employee's dependent has terminated for certain reasons.

**Q) How much does COBRA coverage cost?**

A) The State, as an employer, contributes to a portion of the health and dental insurance premiums for active employees and their dependents. Once an employee, or a dependent of an employee, experiences a COBRA qualifying event, they are no longer eligible for the State's contribution towards premiums. If they elect COBRA continuation coverage, their cost is the *FULL* premium, including that portion previously paid by the State, plus a 2% administrative fee. For the actual dollar figures please refer to the COBRA Premium sheet.

**Q) What is a Qualifying event (QE)?**

A) An event that terminates an individual's normal coverage under a healthcare plan, but which qualifies the employee or beneficiary for continued coverage under COBRA. Examples include death, termination and divorce.

**Q) What if I am currently on Medicare?**

A) If your Medicare coverage was in effect prior to electing COBRA, then you may continue your Medicare as well as your COBRA coverage.

**Q) When does COBRA coverage become effective?**

A) COBRA is effective the day after your benefits or your dependents' benefits termination date, pending the receipt of a timely election and payment of premiums. For example, if your divorce is final on November 28, your ex-spouse's coverage will end on November 30<sup>th</sup>, and your ex-spouse's COBRA coverage will be effective on December 1, pending the receipt of a timely election and payment of premium.

**Q) How long will COBRA continue?**

A) The length of your COBRA continuation coverage (18, 29, or 36 months) depends on the Qualifying Event. However, if you have a healthcare Flexible Spending Account and you elect to continue the account under COBRA, it will end on the last day of the plan year in which the Qualifying Event occurred.

**Q) When will my insurance company show me active for benefits?**

A) Once the company receives, and processes your payment.

- Q) What if I need medical services before my coverage is effective?**  
A) You may be required to pay out-of-pocket for services during your re-enrollment period. If so, you should contact your insurance company for possible reimbursement procedures once your coverage is effective.
- Q) Will my coverage change?**  
A) You will be offered the same coverage you had in place the day before your coverage ended as an active employee.
- Q) How do I obtain information about COBRA?**  
A) The *Initial Notice* is provided in the Summary Plan Description, which is mailed to employees within 90 days of electing Medical/Dental or FSA coverage. The *Election Notice* is mailed to each qualified beneficiary within 14 days of a Qualifying Event by the employee's department. This notice cannot be sent prior to a qualifying event.
- Q) What is the deadline for enrolling in COBRA?**  
A) The latter of the following:
  - 60 days from the day your coverage as an active employee ends, or
  - 60 days from the date of the COBRA Election Notice.
- Q) When is the *FIRST* COBRA payment due?**  
A) The first payment is due 45 days from the date the enrollment form is mailed to the State. This is determined by the postmark on the envelope. This 45-day period *IS NOT* calculated using the signature date on the enrollment form. For example, if the COBRA election form has a postmark of July 1<sup>st</sup>, then the payment is due to the insurance company August 14<sup>th</sup>. All remaining payments are due the first of every month.
- Q) What is a timely payment?**  
A) All payments are due the first of every month, *whether or not* a statement is received. Payments must be postmarked by the U.S. Postal Service on or before the first of the month to be considered timely. *If payment is not received, coverage is suspended.* Coverage can be retroactively reinstated if payment is then received within the 30-day grace period (see next question).
- Q) Is there a Grace Period for payments?**  
A) There is a 30-day grace period. This grace period expires on the 30<sup>th</sup> of the month for which the premium is due. Payments must be postmarked by the U.S. Postal Service on or before the 30<sup>th</sup> of the month to be considered within the grace period. *If payment is not postmarked by this date, coverage will be canceled with no avenue for reinstatement.*
- Q) Why do I have a "Due" date and a "Grace" date?**  
A) Federal law allows you a grace period following your due date to make your payment. If you make a payment later than the first of the month your coverage

under the Plan will be suspended and then retroactively reinstated to the first of the month for which the payment was intended. This means that any claims you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

**Q) What if I do not receive an invoice?**

A) Even if you do not receive an invoice, you are responsible for making your payment by the due date. If the invoice is not available, simply send your payments directly to the carrier.

**Q) Do I need to send a payment in with my election form?**

A) No, the medical and/or dental carrier will send a statement to the address provided on the COBRA election form. All payments must be sent directly to the carriers.

**Q) Is there an open enrollment period for COBRA participants?**

A) Yes, typically in the Spring. Open enrollment information will be mailed directly to you about 30 days prior to the open enrollment period.

**Q) Whom do I contact regarding any issues I may have with my service?**

A) Contact the insurance companies directly.