

"Why is it called COBRA, anyway?"

Consolidated
Omnibus
Budget
Reconciliation
Act

Items to consider when deciding to elect COBRA...

- HIPAA only allows a break in coverage of up to 63 days before pre-existing conditions under a new plan can be applied.
- Once you elect COBRA, you may keep it for the entire period that you are entitled or drop it at any time.
- After you have elected COBRA, you cannot make changes until the next open enrollment period.
- Health Care FSA - Unused funds may be eligible for COBRA.



Benefits Connection,
[My Benefits People](http://MyBenefitsPeople.com)

How do I start COBRA?

- You have 60 days from the later of, the date your coverage ends or the date your COBRA notice is mailed to you, to decide if you want COBRA or not.
- To enroll:
 1. Find the one page COBRA Election Form in your Qualifying Event Notice:
 2. Circle the coverage you want - You may continue everything you had as an active employee or you can take medical only, dental only, vision only, etc.
 3. active employee or you can take medical only, dental only, vision only, etc.
 4. You may also choose a lower coverage level. Example: Member & Spouse instead of Family
 5. instead of Family
 6. Make any necessary changes to your name or address
 7. Return this completed form with the full initial premium payment, which includes the premium for the current month plus any past months since your active employee coverage ended.
 8. includes the premium for the current month plus any past months since your active employee coverage ended.
 9. active employee coverage ended.

So am I covered right now?

- You will not have coverage after the date listed as your "Coverage Ends" date.
 - If you continue to use your insurance after this date, you will be responsible for paying back any money paid on your behalf if you do not elect COBRA.
- You return your election form **with** payment:
 - You will be enrolled and retroactively covered - but it is not immediate. On average, it takes 7 – 10 business days for your coverage to be updated.
- You return your election **without** payment:
 - You will be allowed an additional 45 days (if needed) to remit the premium due; however, your status will remain "inactive" or "not enrolled" until the full premium is received.

What if I only want to continue coverage for my spouse or child?

- The former employee is not required to enroll in order for a previously covered dependent to elect COBRA.
- A new policy is created for dependents that elect continuation coverage when the former employee does not.
 - This member will receive a new ID card.
- All future claims for this person must be filed under this new policy ID.
 - Claims filed under the former employee's ID will not be paid; however, you should contact your insurance carrier to verify previously paid deductibles are correctly applied.

Will my benefits change?

- No, you will have the exact same coverage under the benefits you keep that you had as an active employee.
- Plan copays, coinsurance, deductibles, out-of-pocket maximums, Rx coverage, etc. will remain the same
 - Amounts you have paid towards your deductible(s) earlier in the plan year will still be credited to you.
- You will continue to use the same ID card(s) that you had as an active employee.

What about health care claims?

- If you need to see a provider or get a prescription filled before your coverage has been updated under COBRA, you will need to pay out-of-pocket for these expenses and file a claim for reimbursement.
- Claims that have a date of service after your active employee coverage ended will NOT be automatically reprocessed.



Benefits Eligible for COBRA:

- Medical
- Dental
- Vision
- Medical FSA
- EAP (only certain plans)



What about my life insurance?

Life insurance policies usually cannot be continued under COBRA; however, your policy may offer conversion options. Contact your former HR Representative for additional information.



- It is your responsibility to contact the insurance company, tell them that you have elected COBRA and request that these claims be reconsidered.
- Keep in mind that electing COBRA will not affect your provider's collection procedures. Providers and health care facilities may continue to bill you or seek collection services. You will either need to pay the amount due and file for reimbursement with the carrier once you are enrolled in COBRA or contact the provider and make other payment arrangements.
- Questions regarding specific benefit coverage or claims should be directed to the insurance carrier.

How much does it cost?

- Standard COBRA rates are equal to 102% of the full cost of your employee insurance.
 - Your actual monthly rates will depend upon the coverage you elect to continue.
- The American Recovery and Reinvestment Act of 2009 (ARRA) provides premium assistance for employees who lose their coverage as a result of an involuntary termination or reduction in work hours. If you are eligible for the ARRA subsidy, you will only be required to pay 35% of the premium amount due.
- Premium payments must be made by personal check, cashier's check, or money order made payable to COBRA Connection.
- Payment is due the 1st of each month with a 30 day grace period.
 - Late payments are not acceptable - any payment not submitted timely, will result in cancellation.

How long can I keep COBRA?

- There are set time limits for COBRA:
 - 18 months for Termination or Reduced Work Hours (including leave of absence or retirement)
 - 29 months for Federal Social Security Disability Award
 - 36 months for death of employee or loss of dependent status
- Once your COBRA entitlement period has ended, you may be eligible to convert your benefits to a private policy.

What if I get other coverage?

- If you receive new insurance coverage, your eligibility for COBRA will end unless your new plan:
 - has a pre-existing condition clause, or
 - does not cover specific services you are receiving under your COBRA plan.

What about Medicare?

- If you were enrolled in Medicare prior to your enrollment in COBRA, you are allowed to continue both.
- If you enroll in Medicare after you have elected COBRA, you will no longer be eligible for COBRA.



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