



Legislative Brief

Health Care Reform and COBRA – Questions and Answers (Q&A)

The Patient Protection and Affordable Care Act (PPACA) was enacted on March 23, 2010 and amended by the Health Care and Education Reconciliation Act of 2010 on March 30, 2010. Continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA) were minimally affected by the health care reform legislation.

The Department of Labor issued guidance in the form of Frequently Asked Questions to assist in comprehending the health care reform as it pertains to COBRA.

This Fickewirth and Associates Legislative Brief sets out the FAQs issued by the DOL. For a copy of the guidance, see www.dol.gov/ebsa/healthreform.

Did the health care reform legislation extend the COBRA premium extension?

No. The new health care reform legislation, The Patient Protection and Affordable Care Act (PPACA) as amended by the Health Care and Education Reconciliation Act, did not extend the eligibility time period for the COBRA premium reduction. Eligibility for the subsidy ends May 31, 2010; however, those individuals who become eligible on or before May 31, 2010 can still receive the full 15 months as long as they remain otherwise eligible.

Did the health care reform legislation extend the time period I can have COBRA beyond 18 months?

No. The new health care reform legislation, The Patient Protection and Affordable Care Act (PPACA) as amended by the Health Care and Education Reconciliation Act, did not extend the maximum time periods of continuation coverage provided by COBRA. COBRA establishes required periods of coverage for continuation health benefits. A plan, however, may provide longer periods of coverage beyond those required by COBRA. 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.

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.



Legislative Brief

Health Care Reform and COBRA - Questions and Answers (Q&A)

Individuals who become disabled can extend the 18 month period of continuation coverage for a qualifying event that is a termination of employment or reduction of hours. To qualify for additional months of COBRA continuation coverage, the qualified beneficiary must:

- Have a ruling from the Social Security Administration that he or she became disabled within the first 60 days of COBRA continuation coverage (or before); and
- Send the plan a copy of the Social Security ruling letter within 60 days of receipt, but prior to expiration of the 18-month period of coverage. If these requirements are met, the entire family qualifies for an additional 11 months of COBRA continuation coverage.

Did the health care reform legislation eliminate COBRA?

No. The new health care reform legislation, The Patient Protection and Affordable Care Act (PPACA) as amended by the Health Care and Education Reconciliation Act, did not eliminate COBRA or change the COBRA rules.

How does the new health care reform legislation affect my coverage under my group health plan?

The new health care reform legislation, The Patient Protection and Affordable Care Act (PPACA) as amended by the Health Care and Education Reconciliation Act, makes many changes to employee health benefit plans. Some of the changes go into effect for the first plan year that begins on or after six months after enactment (September 23, 2010), so for calendar year plans, January 1, 2011. However, many changes do not go into effect until the first plan year beginning on or after January 1, 2014.

For more information on COBRA and with any questions, please contact Fickewirth and Associates.

Source: Department of Labor

This Fickewirth and Associates Legislative Brief is not intended to be exhaustive nor should any discussion or opinions be construed as legal advice. Readers should contact legal counsel for legal advice.