

# COBRA

The [Consolidated Omnibus Budget Reconciliation Act \(COBRA\)](#) provides eligible covered members and their eligible dependents the opportunity to temporarily extend their health coverage when coverage under the health plan would otherwise end due to certain qualifying event. COBRA participants have the same benefit options available to them as all other members with the exception of life insurance coverage. Contact the MyBenefits Service Center at 844-251-1777 or 844-251-1778 TDD/TTY, Monday - Friday, 8:00 AM - 6:00 PM CT for information regarding COBRA. Plan year rates are posted on the [Rates and Calculators](#) page.

Rates and Calculators:

<https://www2.illinois.gov/cms/benefits/StateEmployee/Pages/RatesandCalculators.aspx>

# COBRA

## Overview

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides eligible covered Members and their eligible Dependents the opportunity to **temporarily** extend their health coverage when coverage under the health plan would otherwise end due to certain qualifying events. COBRA rights are restricted to certain conditions under which coverage is lost, and the election to continue coverage must be made within a specified election period. If COBRA continuation of coverage is elected, coverage is reinstated retroactive to 12:01 A.M. the date following termination of coverage.

An initial notice is provided to all new Members upon enrollment in the Group Insurance Program. This notice is to acquaint individuals with COBRA law, notification obligations and possible rights to COBRA coverage if loss of group health coverage should occur. If an initial notice is not received, contact your Group Insurance Representative (GIR).

## Eligibility

Covered Members and Dependents who lose coverage due to certain qualifying events (see chart on page 30 of the Benefits Handbook) are considered Qualified Beneficiaries and may be able to continue coverage under the provisions of COBRA. Continuation of coverage under COBRA for Qualified Beneficiaries is identical to the health, dental and vision insurance coverage provided to Members. The life insurance coverage in force on the date of termination is not available through COBRA; however, the Member and/or Dependent may be eligible to convert or port their life insurance coverage. See page 49 of the Benefits Handbook for details.

Covered Dependents retain COBRA eligibility rights even if the Member chooses not to enroll. Qualified Beneficiaries electing continuation of coverage under COBRA are enrolled as a Member. If the Spouse or Dependent children live at another address, notify the Department of Central Management Services (Department) immediately so that notification can be sent to the proper address.

Employees who have opted out of health, dental and vision insurance coverage, and their Dependents, are not eligible to participate in COBRA.

## Notification of COBRA Eligibility

The Member or Qualified Beneficiary must notify their GIR within 60 days of the date of the event or the date on which coverage would end, whichever is earlier. Failure to notify your GIR within 60 days will result in disqualification of COBRA continuation coverage. (Effective January 1, 2006).

The Department will send a letter to the Qualified Beneficiary regarding COBRA rights within 14 days of receiving notification of the termination from your GIR. Included with the letter will be an enrollment form, premium payment information and important deadlines. If a letter is not received within 30 days, and you notified your GIR within the 60-day period, you should contact the Department immediately for information.

## **COBRA Enrollment**

Individuals have 60 days from the date of the COBRA eligibility letter to elect enrollment in COBRA and 45 days from the date of election to pay all premiums. Failure to complete and return the enrollment form or to submit payment by the due dates will terminate COBRA rights. If the enrollment form and all required payments are received by the due dates, coverage will be reinstated retroactive to the date of the qualifying event.

Individuals who elected not to participate in the dental plan while an active Employee, may not enroll in the dental plan until the annual Benefit Choice Period.

## **Medicare or other group coverage impact on COBRA**

If a Member and/or Dependent's Medicare entitlement occurs **before** a COBRA qualifying event, the affected Qualified Beneficiary may elect COBRA coverage for the maximum continuation period. See the COBRA Qualifying Events chart on page 45 of the Benefits Handbook for maximum continuation periods.

If a Member and/or Dependent's Medicare entitlement or eligibility (see the COBRA Qualifying Events chart on page 30 of the Benefits Handbook) occurs **after** a COBRA qualifying event, affected Qualified Beneficiaries are not eligible to continue COBRA coverage.

COBRA Members who obtain coverage under another group health plan (which does not impose Pre-existing Condition Limitations or Exclusions) are ineligible to continue COBRA. The Department reserves the right to retroactively terminate COBRA coverage if an individual is deemed ineligible.

**NOTE: Premiums will not be refunded for coverage terminated retroactively due to ineligibility. (Effective January 1, 2006).**

## **COBRA Extensions**

### **Disability Extension**

Individuals covered under COBRA who have been determined to be disabled by the Social Security Administration (SSA) may be eligible to extend coverage from 18 months to 29 months. Enrolled Dependents are also entitled to COBRA and are eligible for the extension.

To be eligible for the extension, an individual must have become disabled during the first 60 days of COBRA continuation coverage and **MUST** submit a copy of the SSA determination to the Department **within 60 days** of the date of the SSA determination letter and before the end of the original 18-month COBRA coverage period. Coverage will not be extended to 29 months if the required documentation is not submitted to the Department within the appropriate timeframe.

The affected individual must also notify the Department of any SSA final determination loss of disability status. This notification must be provided **within 30 days** of the SSA determination letter.

### **Second Qualifying Event Extension**

If a qualifying event resulting in an 18-month maximum continuation period is followed by a second qualifying event, the Spouse and/or Dependent child may extend coverage an additional 18 months for a maximum of 36 months. However, this 18-month extension does not apply to newly acquired Dependents added to existing COBRA coverage.

### **Waiver of COBRA Rights and Revocation of that Waiver**

A Qualified Beneficiary may waive rights to COBRA coverage during the 60-day election period and can revoke the waiver at any time before the end of the 60-day period. Coverage will be retroactive to the qualifying event.

### **Premium Payment under COBRA**

The Qualified Beneficiary has 45 days from the date coverage is elected to pay all premiums. Individuals electing COBRA are considered Members and charged the Member rate. A divorced or widowed Spouse who has Dependent coverage would be considered the Member and charged the Member rate, with the child covered as a Dependent and charged the applicable Dependent rate. If only a Dependent child elects COBRA, then each child would be considered a Member and charged the Member rate.

Once the COBRA enrollment form is received and the premium is paid, coverage will be reinstated retroactive to the date coverage was terminated. The Department will mail monthly billing statements to the Member's address on file on or about the 5th of each month. Bills for the current month are due by the 25th of the same month. Final notice bills (those with a balance from a previous month) are due by the 20th of the same month. Failure to pay the premium by the final due date will result in termination of coverage retroactive to the last date of the month in which premiums were paid.

It is the Member's responsibility to promptly notify the Department in writing of any address change or billing problem.

The State does not contribute to the premium for COBRA coverage. Most COBRA Members must pay the applicable premium plus a 2% administrative fee for participation. COBRA Members who extend coverage for 29 months due to SSA's determination of disability must pay the applicable premium plus a 50% administrative fee for all months covered beyond the initial 18 months.

### **Adding Newly-Acquired Dependents While Enrolled in COBRA**

Newborns, a newly-adopted child or a newly-acquired Spouse may be added to existing COBRA coverage. Documentation requirements must be met. See the Documentation Requirements chart on page 13 of the Benefits Handbook.

### **Termination of Coverage under COBRA**

Termination of COBRA coverage occurs when the earliest of the following occurs:

Maximum continuation period ends.

- Covered Member or Dependent fails to make timely payment of premium.
- Covered Member or Dependent becomes a participant in another group health plan which does not impose a Pre-existing Condition exclusion or limitation (for example, through employment or marriage).
- Covered Member or Dependent becomes entitled to Medicare. Special rules apply for End Stage Renal Disease. Contact the Department for more information.
- Covered Member or Dependent reaches the qualifying age for Medicare.

Refer to the COBRA Qualifying Events chart on page 45 of the Benefits Handbook for more information.

### **Conversion Privilege for Health Coverage**

When COBRA coverage terminates, Members may have the right to convert to an individual health plan without providing evidence of insurability. This conversion privilege applies to health coverage only. Members are eligible for this conversion unless group health coverage ended because of:

- Failure to pay the required premium, or
- Coverage is replaced by another group health plan, or
- Member enrolls in Medicare, or
- Voluntary termination during COBRA coverage.

Approximately two months before COBRA coverage ends, the Department will send a letter providing instructions on how to apply for conversion. To be eligible for conversion, Members must have been covered by the current COBRA health plan for at least 3 months and requested conversion within 31 days of exhaustion of COBRA coverage. The converted coverage, if issued, will become effective the day after COBRA coverage ended. Contact the appropriate health Plan Administrator for information on COBRA conversion. The Department is not involved in the administration or premium rate structure of insurance benefits obtained through conversion.