



## COBRA is a continuation of employer-sponsored health insurance.

- Electing COBRA continues your plan, with the same carrier, as when you were enrolled while employed
- No starting over with a new deductible and out-of-pocket maximum
- Continue your current health insurance for up to 18 or 36 months (depending on your circumstances)

## COBRA Eligibility Requirements

To be considered for COBRA, the employee must be insured by the health plan the day before the qualifying event happens. In addition, you must be one of the following:

- The employee
- A spouse or ex-spouse of the employee
- A dependent of the employee

## What is a Qualifying Event?

A qualifying event may also be referred to as a "life-event". The "Employee" will qualify for COBRA if:

- Employment is terminated (termination due to gross misconduct is a disqualification for COBRA eligibility)
- Hours are reduced (voluntary or involuntary) which causes you to no longer be eligible for medical, dental and/or vision benefits

As a spouse or dependent, you will qualify for COBRA if:

- Employee qualifies for COBRA, *or*
- The employee is becoming Medicare eligible
- Employee is deceased
- You are divorced or legally separated from the employee.
- You are a dependent of the employee and lost eligibility for healthcare benefits

# COBRA Employer Responsibilities

When employed, if you enroll in a COBRA-eligible benefit provided by your employer, you must be provided a COBRA General Rights Notice. Many Employer's include this document as part of your new hire benefit enrollment package.

If you terminate employment and are COBRA eligible, DrivenCOBRA will be notified of the termination and COBRA Specific Rights Notices (also known as COBRA Election Packets) will be mailed directly to you.

Your employer will provide the reason for the COBRA eligibility: termination of the employee, death of the employee, employee Medicare eligibility, or reduction of employee work hours.

# COBRA Employee Responsibilities

If your employment is terminated, it is your responsibility to complete and return the enrollment form by the deadline. There are specific deadlines to make COBRA payments.

If you have experienced a qualifying event other than termination it is the Employee's responsibility to notify your Employer within 30 days of your event. It's your responsibility to tell your health plan if your loss of coverage is due to divorce, legal separation, or a young-adult losing dependent status under plan rules. Once you notify your employer, you will receive a COBRA Specific Rights Notices (also known as COBRA Election Packets) in the mail.

## COBRA is Optional

You'll have a 60-day window during which you can sign up for COBRA (beginning the day you receive the COBRA notification, or the day that your employer-sponsored coverage would otherwise end—whichever is later)

# COBRA Definitions

## **Effective date**

The date when a member's COBRA becomes active.

## **General Rights Notice (GRN)**

A written summary of COBRA rights and obligations. This notice is provided to new plan members within 90 days of when group health plan coverage first begins.

## **Member**

Any individual covered by a health plan through COBRA.

## **Open enrollment**

A period of time, generally at the same time each year, when plans can be added or changed. Open enrollment is also the time when dependents can be added to plans and when members are notified of any rate changes.

## **Premium**

The amount a COBRA member pays to extend coverage.

## **Qualified beneficiary**

An individual who is entitled to COBRA coverage because they were covered by a group health plan at least one day prior to experiencing a qualifying event.

## **Qualifying event**

An event that causes an individual to lose health coverage. There are seven types of qualifying events:

- Termination (except in the cases of gross misconduct)
- Reduction of hours
- Death of employee
- Divorce or legal separation from employee
- Loss of dependent status
- Medicare entitlement of employee
- Employer bankruptcy

## **Specific Rights Notice (SRN)**

A written notice outlining COBRA rights and obligations, including election forms. SRNs must be provided to all qualified beneficiaries within 14 days of receiving notice of a qualifying event.

## **Summary Plan Description (SPD)**

A document that explains the fundamental features of an employer's group health plans, including eligibility requirements, contribution formulas, vesting schedules, benefits calculations and distribution options.