



COBRA Massachusetts

Comparison of Federal and Massachusetts Continuation Laws

	FEDERAL (COBRA)	MASSACHUSETTS
Covered Employers and Plan Coverage	<p>Group health plans maintained by private-sector employers with 20 or more employees, employee organizations, or state or local governments.</p> <p>Coverage must be identical to that available to similarly situated beneficiaries who are not receiving COBRA coverage under the plan (generally, the same coverage that the qualified beneficiary had immediately before qualifying for continuation coverage).</p>	<p>Employers with 2-19 employees that offer fully-insured group health plans providing hospital, surgical or major medical benefits (not including specific diseases or accidental injuries only) must provide continuation coverage to the eligible employee, spouse and dependent children. Self-insured ERISA plans are not subject to state continuation coverage requirements.</p> <p>A special rule for continuing coverage after divorce applies to all insured health plans.</p>
Qualified Beneficiaries (Employee / Dependents)	<p>An employee, spouse or dependent child covered by a group health plan on the day before a qualifying event.</p> <p>In certain cases, a retired employee, the retired employee's spouse and the retired employee's dependent children may be qualified beneficiaries.</p> <p>In addition, any child born to or placed for adoption with a covered employee during the period of COBRA coverage is considered a qualified beneficiary.</p> <p>Agents, independent contractors, and directors who participate in the group health plan may also be qualified beneficiaries.</p>	<p>Same as COBRA</p>

<p>Continuation Period</p>	<p>18 months - 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.</p> <p>29 months - Disability can extend the 18-month period of continuation coverage for a qualifying event that is a termination of employment or reduction of hours. If certain requirements are met, the entire family qualifies for an additional 11 months of COBRA continuation coverage. Plans can charge 150% of the premium cost for the extended period of coverage.</p> <p>36 months - 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.</p> <p>36 months - Under COBRA, participants, covered spouses and dependent children may continue their plan coverage when they would otherwise lose coverage due to divorce (or legal separation) for a maximum of 36 months.</p>	<p>Same as COBRA.</p> <p>If continuation is not chosen, there may be other ways to continue group coverage. For example, in the case of the death of the employee or an involuntary layoff, qualified beneficiaries are entitled to 39 weeks of state mandated coverage from the date of the ineligibility or until the employee, spouse and dependents become eligible for benefits under another group health plan. This provision does not apply to HMO plans.</p> <p>For those involved in a plant closing, there is a state mandated eligibility period of 90 days.</p> <p>In the case of divorce, there is a state mandated eligibility period which continues until remarriage or that which the divorce judgment allows, whichever is earlier.</p>
<p>Qualifying Events</p>	<p>Qualifying Events for Employees:</p> <ul style="list-style-type: none"> • Voluntary or involuntary termination of employment for reasons other than gross misconduct (18 months) • Reduction in the number of hours of employment (18 months) <p>Qualifying Events for Spouses:</p> <ul style="list-style-type: none"> • Voluntary or involuntary termination of the covered employee's employment for any reason other than gross misconduct (18 months) • Reduction in the hours worked by the covered employee (18 months) • Covered employee's becoming entitled to Medicare (36 months) • Divorce or legal separation of the covered employee (36 months) • Death of the covered employee (36 months) 	<p>Same as COBRA</p>

	<p>Qualifying Events for Dependent Children:</p> <ul style="list-style-type: none"> • Loss of dependent child status under the plan rules (36 months) • Voluntary or involuntary termination of the covered employee's employment for any reason other than gross misconduct (18 months) • Reduction in the hours worked by the covered employee (18 months) • Covered employee's becoming entitled to Medicare (36 months) • Divorce or legal separation of the covered employee (36 months) • Death of the covered employee (36 months) 	
<p>Eligibility</p>	<p>To be eligible for COBRA coverage, must have been enrolled in employer's health plan before the qualifying event and health plan must continue to be in effect for active employees. COBRA continuation coverage is available upon the occurrence of a qualifying event that would, except for the COBRA continuation coverage, cause an individual to lose his or her health care coverage.</p>	<p>Same as COBRA</p>
<p>Notice Requirements</p>	<p>Health plan administrators must provide an initial general notice when group health coverage begins.</p> <p>When a qualifying event occurs, health plan administrators must provide an election notice regarding rights to COBRA continuation benefits to each qualifying beneficiary who loses plan coverage in connection with the qualifying event.</p> <p>Employers must notify their plan administrators within 30 days after an employee's termination or after a reduction in hours that causes an employee to lose health benefits.</p> <p>The plan administrator must provide notice to individual employees of their right to elect COBRA coverage (election notice) within 14 days after the administrator has received notice from the employer.</p> <p>Employee must respond to this notice and elect COBRA coverage by the 60th day after the written notice is sent or the day health care coverage ceased, whichever is later. Otherwise, employee will lose all rights to COBRA benefits.</p>	<p>Small group carrier must provide an initial notice when employee is hired, if entitled to continuation benefits.</p> <p>Carrier must provide notice to the qualified beneficiary of continuation rights within 14 days of the date the carrier becomes aware of the qualifying event.</p> <p>Qualified beneficiary must notify carrier of divorce, legal separation or loss of dependent status within 60 days of coverage loss.</p> <p>Qualified beneficiaries choosing to elect continuation coverage are required to notify the carrier within 60 days from the later of:</p> <ul style="list-style-type: none"> • The date on which coverage is terminated; or

	Spouses and dependent children covered under such health plan have independent rights to elect COBRA coverage upon employee's termination or reduction in hours.	<ul style="list-style-type: none"> The date the election notice is sent. <p>The first premium is due within 45 days after continuation coverage is elected.</p>
Termination of Coverage	<p>Coverage begins on the date that coverage would otherwise have been lost by reason of a qualifying event and will end at the end of the maximum period. It may end earlier if:</p> <ul style="list-style-type: none"> Premiums are not paid on a timely basis. The employer ceases to maintain any group health plan. After the COBRA election, coverage is obtained with another employer group health plan that does not contain any exclusion or limitation with respect to any pre-existing condition of the beneficiary. However, if other group health coverage is obtained prior to the COBRA election, COBRA coverage may not be discontinued, even if the other coverage continues after the COBRA election. After the COBRA election, a beneficiary becomes entitled to Medicare benefits. However, if Medicare is obtained prior to COBRA election, COBRA coverage may not be discontinued, even if the other coverage continues after the COBRA election. 	<p>Continuation coverage must be provided for the maximum period from the date coverage would have been lost. Coverage may terminate earlier if the:</p> <ul style="list-style-type: none"> Employee becomes eligible for Medicare; Employee becomes covered by any other group medical, hospital or surgical plan without any pre-existing condition exclusions; Employee fails to pay premiums in a timely manner; or Group plan is terminated and not replaced.
Conversion Rights	Some plans allow participants and beneficiaries to convert group health coverage to an individual policy. If this option is generally available from the plan, a qualified beneficiary who pays for COBRA coverage must be given the option of converting to an individual policy at the end of the COBRA continuation coverage period. The option must be given to enroll in a conversion health plan within 180 days before COBRA coverage ends. The premium for a conversion policy may be more expensive than the premium of a group plan, and the conversion policy may provide a lower level of coverage. The conversion option, however, is not available if the beneficiary ends COBRA coverage before reaching the end of the maximum period of COBRA coverage.	
Other		Carriers may require notices to be issued by employers.

Applicable Statutes	IRC § 4980B, ERISA §601 <i>et seq.</i> , 29 CFR §§ 2590.606–1 through 2590.606–4.	Massachusetts G.L. c. 176J, § 9; f Mass. Gen. Laws Ann. ch. 175, § 110I (West)
Government Agency Contact	Departments of Labor and Treasury (private sector plans) and Department of Health and Human Services (public sector plans). More information on COBRA coverage is available from the Department of Labor at: www.dol.gov/dol/topic/health-plans/cobra.htm .	Massachusetts Group Insurance Commission 617-727-2310