



COBRA Oregon



Comparison of Federal and Oregon Continuation Laws

	FEDERAL (COBRA)	OREGON
Covered Employers and Health Plans	<p>Group health plans (fully insured and self-insured) maintained by private-sector employers with 20 or more employees. Most group health plans maintained by governmental employers are required to offer COBRA. However, group health plans maintained by churches are exempt from COBRA.</p>	<p>State continuation coverage is only available when federal COBRA does not apply. It applies to the following health insurance plans:</p> <ul style="list-style-type: none"> • A grandfathered health plan providing coverage under a group health insurance policy for hospital or medical expenses, other than coverage limited to expenses from accidents or specific diseases; and • A group health insurance policy that provides coverage for one or more of the essential health benefits, other than a grandfathered plan. <p>In addition, special continuation coverage rules for surviving, divorced or separated spouses who are age 55 or older apply to employers that have 20 or more employees and group health insurance policies with 20 or more covered employees.</p> <p>Self-insured ERISA plans are not subject to state continuation coverage requirements.</p>
Qualified Beneficiaries	<p>An employee, spouse or dependent child covered by a group health plan on the day before a qualifying event. In addition, any child born to or placed for adoption with a covered employee during the period of COBRA coverage is</p>	<p>Employees who were covered by the group health insurance policy on the day before a qualifying event and during the three-month period ending on the date of the qualifying event.</p> <p>A spouse or dependent child of a covered</p>



	<p>considered a qualified beneficiary.</p>	<p>employee who, on the day before a qualifying event, was insured under the group health insurance policy.</p> <p>In addition, any child born to or placed for adoption with a covered employee during the period of continuation coverage is considered a qualified beneficiary.</p> <p>Continuation coverage is not available to a qualified beneficiary who is eligible for:</p> <ul style="list-style-type: none"> • Medicare; or • The same coverage offered under any other program that was not covering the person on the day before a qualifying event.
<p>Qualifying Events</p>	<p>Events that trigger an obligation to offer COBRA coverage include:</p> <ul style="list-style-type: none"> • Termination of employment for reasons other than gross misconduct (all qualified beneficiaries); • Reduction in the number of hours of employment (all qualified beneficiaries); • Covered employee's becoming entitled to Medicare (spouse and dependent children); • Divorce or legal separation of the covered employee (spouse and dependent children); • Death of the covered employee (spouse and dependent children); and • Loss of dependent child status under the plan (dependent children). 	<p>Events that trigger an obligation to offer continuation coverage include:</p> <ul style="list-style-type: none"> • Voluntary or involuntary termination of the employment (all qualified beneficiaries); • Reduction in hours worked (all qualified beneficiaries); • Covered employee's becoming eligible for Medicare (all qualified beneficiaries); • A qualified beneficiary losing dependent child status under the group health insurance policy (dependent child); • Termination of membership in the group covered by the group health insurance policy (all qualified beneficiaries); • The death of the covered employee (spouse and dependent children); and • Dissolution of marriage with the covered employee (spouse and dependent children).
<p>Maximum Continuation Period</p>	<p>The maximum duration of COBRA coverage depends on the type of qualifying event, as follows:</p> <p>18 months - Employment termination or reduction in hours of work</p> <p>29 months - The Social Security</p>	<p>Nine months</p> <p>Special continuation coverage rules apply to surviving, divorced or separated spouses who are age 55 or older at the time of the employee's death or divorce or legal separation. Group health insurance policies must allow these spouses to elect</p>

	<p>Administration (SSA) determines the qualified beneficiary is disabled during the first 60 days of COBRA coverage. This 11-month extension applies to the qualified beneficiary with the disability and all of the qualified beneficiaries in the family.</p> <p>36 months – Divorce or legal separation, employee’s death, entitlement to Medicare or loss of dependent child status</p> <p>36 months – After a qualifying event that is an employment termination or a reduction in hours of work, a second qualifying event occurs that is the death of the employee, the divorce or legal separation of the covered employee and spouse, Medicare entitlement (in certain circumstances) or loss of dependent child status under the plan.</p>	<p>continuation coverage for themselves and any covered dependent children. This coverage may last until the spouse becomes eligible for Medicare, remarries or becomes insured under another group health plan, whichever occurs first.</p>
<p>Early Termination of Coverage</p>	<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; or • After the COBRA election, a beneficiary becomes entitled to Medicare benefits. 	<p>Continuation coverage may terminate before the end of the nine-month maximum period if:</p> <ul style="list-style-type: none"> • Premiums are not paid on a timely basis; • A qualified beneficiary becomes eligible for Medicare; • A qualified beneficiary becomes eligible for the same coverage under any other program that was not covering the person on the day before a qualifying event; or • The group policy is terminated by the employer and is not replaced.
<p>Notice Requirements</p>	<p>Health plan administrators must provide an initial general notice when group health coverage begins. 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</p>	<p>The health insurance issuer must provide written notice of right to continuation coverage to the qualified beneficiary no later than 10 days after the issuer is notified of the qualifying event. A qualified beneficiary must elect continuation coverage within 10 days of the later of the date of the qualifying event or the date the issuer provides the notice of the right to</p>

	<p>qualifying event.</p> <p>Qualified beneficiaries 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 would end, whichever is later. Additional COBRA notice requirements apply under federal law.</p>	<p>continue coverage.</p>
Premium Rules	<p>The maximum amount charged to qualified beneficiaries cannot exceed 102 percent of the plan's total cost of coverage for similarly situated individuals. For qualified beneficiaries receiving the 11-month disability extension, the premium for those additional months may be increased to 150 percent of the plan's total cost of coverage.</p> <p>Plans must provide at least 45 days after the election for making an initial premium payment. The plan sponsor may establish due dates for later payments, but it must provide a minimum 30-day grace period for each payment.</p>	<p>A qualified beneficiary must pay the premium for continuation coverage on a monthly basis in advance. The required premium payment may not exceed the group premium rate for the insurance being continued under the group policy.</p>
Applicable Statutes	<p>IRC § 4980B, ERISA §601 <i>et seq.</i>, 29 CFR §§ 2590.606-1 through 2590.606-4.</p>	<p>Oregon Revised Stats. Title 56 Chapter 743B.340-347</p>
Government Agency Contact	<p>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.</p>	<p>Oregon Division of Financial Regulation</p>