

# KNOW YOUR BENEFITS.

From Stern Insurance Group

HCR



## Health Care Reform and COBRA

### Frequently asked questions

The Affordable In 2010, health care reform became a reality with the passage of the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010. The U.S. Department of Labor issued Frequently Asked Questions on how the health care reform law affects COBRA.

**Did the health care reform legislation extend the COBRA premium reduction (subsidy)?** No. The new health care reform legislation, The Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act (ACA), did not extend the eligibility time period for the COBRA premium reduction. Eligibility for the subsidy ended May 31, 2010; however, those individuals who became eligible on or before May 31, 2010 still received the full 15 months as long as they remained otherwise eligible.

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

No. ACA, 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.

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.

**Many of health care reform's changes do not go into effect until the first plan year beginning on or after January 1, 2014.**

**Did the health care reform legislation eliminate COBRA?**

No. ACA did not eliminate COBRA or change the COBRA rules. See An Employee's Guide to Health Benefits Under COBRA-The Consolidated Omnibus Budget Reconciliation Act for more information about COBRA.

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

ACA makes many changes to employee health benefit plans. Some of the changes went into effect for the first plan year that began on or after January 1, 2011. However, many changes do not go into effect until the first plan year beginning on or after January 1, 2014.

Source: [www.dol.gov](http://www.dol.gov)

