

I used two diagrams to present information visually. This format instantly crystalizes what a textual presentation would obscure. These pages are from the Billing Procedures manual from Pacific Heritage Assurance, a health care insurance provider.

Chapter 9

COBRA

COBRA is the acronym for Consolidated Omnibus Budget Reconciliation Act and is a Federal labor law that went into effect in 1986. This law allows qualified beneficiaries (employees and dependents) to choose to continue health benefits that were carried at the time of the qualifying event. These benefits include Medical, Dental, and Vision, but do not include Life, Accidental Death, Long or Short Term Disability benefits. A COBRA participant cannot add benefits not offered by the group at the time of the qualifying event. For example, a participant can have Vision benefits under COBRA only if the group offers Vision benefits to the employees. The COBRA participant is responsible for paying the premiums under continuation of coverage. The Thompson guide has more information.

Two figures are presented below. The first figure introduces you to the different events that qualify an employee or a dependent for COBRA and it also summarizes the maximum COBRA coverage period for each of these qualifying events. The second figure is a handy reference tool that helps you determine when 18 months of coverage, which is the typical coverage period, ends.

If this event occurs ...	Then the maximum COBRA coverage period for the ...	
	Employee is ...	Dependent is ...
Termination of employee	18 months	18 months
Reduction of hours for employee	18 months	18 months
Employee fired for gross misconduct	None	None
Employee fired for reasons other than gross misconduct	18 months	18 months
Death of employee	N/A	36 months
Divorce or legal separation	N/A	36 months
Dependent is no longer eligible	N/A	36 months
Employee enrolls in Medicare	None	36 months
Notification more than 60 days after event	None	None
Employee or dependent on COBRA becomes disabled	29 months	29 months
Group terminates	None	None

Summary of COBRA Coverage Periods

If COBRA starts in ...	Then COBRA ends the last day of ...																		
	Next Year												Two Years						
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May		
January	█																		
February	█																		
March	█																		
April	█																		
May	█																		
June	█																		
July	█																		
August	█																		
September	█																		
October	█																		
November	█																		
December	█																		

End Dates for 18-Month COBRA Coverage