

HR Knowledge e-Alert!

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Federal & State Mini-COBRA

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) generally requires employers with 20 or more employees with group health plans to offer employees, their spouses, and their dependents a temporary period of continued health care coverage if they lose coverage through the employer's plan. Many states have laws similar to COBRA that apply to fully insured group health plans, including plans maintained by churches and employers with fewer than 20 employees. These are sometimes called mini-COBRA laws. Even if a plan is not subject to COBRA, it may still be required to provide continuation coverage under state insurance laws.

Learn the [COBRA requirements](#) that apply to the state(s) you conduct business in.

What is COBRA?

COBRA allows individuals to continue their group health plan coverage in certain situations. Specifically, COBRA requires group health plans to offer continuation coverage to covered employees and dependents when coverage would otherwise be lost due to certain specific events. These events include the death of a covered employee, termination or a reduction in the hours of a covered employee's employment, divorce of a covered employee and spouse, and a child's loss of dependent status under the plan.

COBRA sets rules for how and when continuation coverage must be offered and provided, how employees and their families may elect continuation coverage and when continuation coverage may be terminated.

Employers may require individuals to pay for COBRA coverage. Group health coverage for COBRA participants is usually more expensive than coverage for active employees, since many employers pay a part of the premium for active employees.

COBRA BASICS

- COBRA allows certain employees, spouses and dependents to temporarily continue their health coverage at group rates.
- COBRA coverage must be the same as the coverage that is available to similarly situated active employees who are not receiving COBRA benefits.

COMPLIANCE TIPS

Avoid common compliance mistakes by:

- Determining if COBRA applies to your health plan;
- Knowing which events trigger the requirement to offer COBRA coverage;
- Providing the required COBRA notices on a timely basis; and
- Establishing payment procedures for COBRA premiums.

View our [COBRA Continuation Coverage Compliance Overview](#) for more information on managing COBRA Continuation.



COBRA Assistance is Available!

Companies subject to Federal COBRA regulations should consider ensuring compliance by using a third-party administrator that provides a compliance guarantee. For more information on outsourcing your company's COBRA administration, please [contact us](#) for assistance.