

COBRA Coverage Versus Special Enrollment in Access Health CT Plan

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Issue

May a person age 62 to 65 who experiences a qualifying life event that causes the person to lose job-based health insurance coverage elect coverage under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA) or does the federal Affordable Care Act (ACA) require the person to obtain individual coverage through the state's health insurance exchange (i.e., Access Health CT)?

Summary

A person who is age 62 to 65 and not yet eligible for Medicare who experiences a qualifying life event that causes a loss of job-based health coverage may elect COBRA coverage. The ACA did not change COBRA rules. Thus, employers must still offer COBRA continuation coverage to those who lose group health coverage due to certain qualifying life events.

A person who loses job-based coverage may choose to not elect COBRA coverage and instead may enroll in an individual health insurance plan offered on the Access Health CT exchange. Losing job-based coverage is one of many life events that qualifies a person to enroll in an exchange plan during a special enrollment period. A special enrollment period is time outside the yearly open enrollment period when a person may qualify to sign up for health insurance. A person with a qualifying life event has 60 days from the event to enroll in a plan through Access Health CT.

COBRA Continuation Coverage

COBRA requires employers to offer continuation coverage to covered employees and their spouses, former spouses, and dependent children when group health coverage would otherwise be lost due to certain specific events. Those events include the following:

- the death of a covered employee,
- terminating or reducing the hours of a covered employee for reasons other than gross misconduct,
- divorce or legal separation from a covered employee,
- a covered employee becoming eligible for Medicare, and
- a child losing dependent status (and therefore coverage) under the plan.

Federal law requires that COBRA continuation coverage extend from the date of the qualifying event for a limited maximum period of 18 or 36 months. (State law may extend the period of continuation coverage available.) The length of time continuation coverage lasts depends on the qualifying event that gave rise to COBRA coverage. A plan may provide longer periods of coverage beyond the maximum period required by law.

Additionally, a person's COBRA continuation coverage may terminate earlier than the end of the maximum period if he or she becomes entitled to Medicare benefits after electing continuation coverage.

A person should contact his or her plan administrator for more information about COBRA eligibility and may also contact the U.S. Department of Labor's (DOL) Employee Benefits Security Administration for information at askebsa.dol.gov or by calling 1-866-444-3272.

Additional COBRA resources include the following:

- Healthcare.gov: <https://www.healthcare.gov/unemployed/cobra-coverage/>
- U.S. DOL: <https://www.dol.gov/general/topic/health-plans/cobra> and <https://www.dol.gov/sites/default/files/ebsa/about-ebsa/our-activities/resource-center/faqs/cobra-continuation-health-coverage-consumer.pdf>
- OLR Report: [2011-R-0503](#), COBRA Continuation of Group Health Benefits

Special Enrollment Periods for Access Health CT Plans

Open enrollment for health insurance plans available through Access Health CT occurs once a year and is when people may sign up for health coverage. Outside of open enrollment, a person may be able to sign up for coverage during a special enrollment period if he or she experiences a qualifying life event. A special enrollment period generally lasts 60 days from the date of the qualifying event.

Qualifying life events include the following:

- marrying someone who is enrolled in an Access Health CT plan;
- having, adopting, or fostering a child;
- moving to Connecticut from another state;
- divorce or legal separation;
- job change;
- losing dependent status under a parent's plan (e.g., reaching 26th birthday); or
- experiencing another circumstance that results in loss of coverage, including:
 - expiration of COBRA,
 - loss of Medicaid eligibility,
 - no longer eligible for the ACA's advanced premium tax credits or a cost-sharing reduction due to a change in income or household status,
 - change in citizenship or lawful presence status,
 - decertification of employer's health plan because it does not comply with ACA standards,
 - cancellation of employer health coverage, or
 - cancellation of or large reduction in employer contributions toward coverage.

For more information about Access Health CT special enrollment periods, see <http://learn.accesshealthct.com/special/>.

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