

Understanding COBRA coverage

Learn about coverage options if your health insurance through your job was impacted by COVID-19

With the impact of COVID-19, we're seeing unemployment increase across the country. If you lose your job, become furloughed or experience reduced hours and it changes your health insurance coverage, you may look into COBRA for health care coverage. COBRA stands for the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), a program that may help if you need coverage between jobs.

COBRA timelines are extended

Due to the COVID-19 National Emergency, timelines used by group health plans for continuation of health care coverage (COBRA) have been extended — starting on March 1, 2020, until sixty (60) days after the end of the COVID-19 National Emergency (the “Outbreak Period”).

In other words, until the government declares the end of the COVID-19 National Emergency, COBRA coverage will operate with the following new timelines in place.

Revised COBRA timelines during the COVID-19 National Emergency

- With the changed timelines, your 60-day election period is extended until 60 days following the end of the Outbreak Period. You can elect coverage and enroll any time during the Outbreak Period and must do this if you want active coverage.
- If you elect COBRA, you must make premium payment in order to activate coverage and have claims paid. If you do not make premium payment, coverage will not be activated and claims will not be paid.
- You will receive a statement for your premiums due each month. However, a grace period is in effect, so you aren't required to make a payment until 30 days after the end of the Outbreak Period (this date is not yet set and will be determined by a government decision). You may still make your monthly payments each month during the Outbreak Period.
- Payment in full for each month of coverage during the Outbreak Period will be due 30 days after the end of the Outbreak Period (this date is not yet set and will be determined by a government decision). If payment is not made, your coverage will end, and you may be responsible for claims paid during that time period.

COBRA frequently asked questions

If you have general questions about COBRA, here are some common questions and answers to help guide you on COBRA and other [short term health insurance](#) options that may help if you have a gap in coverage.

My job situation has changed. Can I get health insurance through COBRA?

You may qualify for COBRA coverage if your job situation has changed in one of these ways:

- You lost your job, either voluntarily or by the decision of your company (for any reason except gross misconduct) and you have lost your health coverage
- You had the number of hours per week you work reduced so you no longer get benefits and you have lost your health coverage

If your employment status changed during the COVID-19 National Emergency, review the [revised COBRA timeline](#) for electing coverage noted above.

Am I eligible for COBRA if I'm furloughed?

Check with your employer to learn the details of your furlough. In general, here are some guidelines:

- You would not be eligible for COBRA if your employer is still offering your group medical benefits while you're furloughed
- If your employer decided to discontinue offering group medical benefits to furloughed employees, then COBRA may be an option for furloughed, as well as laid off employees

In other words, if benefits are offered during furlough, COBRA is not an option. However, if your employer does not offer benefits to furloughed employees, COBRA would be an option.

Am I eligible for COBRA if my company closed or terminated their health plan coverage?

If there is no longer a health plan, COBRA would not apply and you would need to look at other coverage options.

How can I get health insurance if I don't qualify for COBRA?

You may be able to get health care coverage through the [Health Insurance Marketplace](#). It may also cost less than COBRA continuation coverage. There are special enrollment periods available if your job situation has caused you to have lost your coverage. You may also have special HIPAA enrollment rights under your spouse's plan if you have coverage under your employer's plan at the time your spouse enrolled in the other coverage.

You can also compare costs to see if a short term insurance plan would work for your needs. Standard [short term health insurance plans](#) may help you fill a gap in coverage from 1 month to just under a year.¹

Through the Health Insurance Marketplace you can also check if you may qualify for free or low-cost health care coverage from [Medicaid](#) or the [Children's Health Insurance Program \(CHIP\)](#).

I didn't enroll in Medicare when I first became eligible because I was still employed, but I recently lost my job. Can I enroll in Medicare now after my group health plan coverage ends?

Yes, if you are 65 or older, there may be advantages to enrolling in Medicare before, or instead of, electing COBRA. In general, if you don't enroll in Medicare Part A or B when you are first eligible because you are still employed, after the Medicare initial enrollment period, you have an 8-month special enrollment period² to sign up for Medicare Part A or B, beginning on one of the following dates (whichever comes earlier):

- The month after your employment ends; or
- The month after group health plan coverage ends based on current employment ends.

If you don't enroll in Medicare and elect COBRA continuation coverage instead, you may have to pay a Part B late enrollment penalty and you may have a gap in coverage if you decide you want Part B later. If you elect COBRA continuation coverage and later enroll in Medicare Part A or B before the COBRA continuation coverage ends, the Plan may terminate your continuation coverage. However, if Medicare Part A or B is effective on or before the date of the COBRA election, COBRA coverage may not be discontinued on account of Medicare entitlement, even if you enroll in the other part of Medicare after the date of the election of COBRA coverage.

What health coverage pays first if I'm enrolled in both Medicare and COBRA?

If you are enrolled in both COBRA continuation coverage and Medicare, Medicare will generally pay first (primary payer) and COBRA continuation coverage will pay second. Certain plans may pay as if secondary to Medicare, even if you are not enrolled in Medicare.

How does COBRA coverage work?

COBRA is a short-term health care insurance that's usually available for up to 18 months after the termination date of your job . (In some situations, COBRA coverage may extend beyond 18 months.)

You can get COBRA coverage if you worked for a business that employs 20 people or more. There are exceptions to this, so please call your COBRA administrator to get more information.

With COBRA, you can continue the same health care coverage through the plan you had when you were employed. That may include medical, dental and vision plans. If you choose to sign up for COBRA health care coverage, you won't be able to choose a new plan or change the coverage you had under that plan until the next open enrollment, if your employer offers an open enrollment to active participants. You will be asked to choose and pay for the same health care coverage you had with the plan you were under when you were employed. For example, if you had a medical plan and a dental plan, you can keep one or both of them. But you wouldn't be able to add a vision plan or change certain benefits within your medical plan if it wasn't part of your plan before COBRA.

What do I need to know about paying for COBRA?

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1. Product design and availability vary by state. Term lengths available vary by state.
2. [Part A and Part B Sign up periods. medicare.gov](#)
3. Read more about COBRA health coverage from the United States Department of Labor at COBRA Continuation Coverage. Personal or individual insurance is not the same as COBRA, so review your health insurance information carefully. Your time to elect COBRA is limited by law. Failure to elect and exhaust COBRA may eliminate your eligibility to enroll under HIPAA portability. You may have additional rights under state law.