

FAQs on Health Care Reform and COBRA



U. S. Department of Labor
Employee Benefits Security Administration
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Q1: 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 (PPACA) as amended by the Health Care and Education Reconciliation Act, did not extend the eligibility time period for the COBRA premium reduction. Eligibility for the subsidy ended May 31, 2010; however, those individuals who become eligible on or before May 31, 2010 can still receive the full 15 months as long as they remain otherwise eligible.

Q2: Did the health care reform legislation extend the time period I can have COBRA beyond 18 months?

No. The new health care reform legislation, The Patient Protection and Affordable Care Act (PPACA) as amended by the Health Care and Education Reconciliation Act, 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.

See *An Employee's Guide to Health Benefits Under COBRA-The Consolidated Omnibus Budget Reconciliation Act* for more information about COBRA.

Q3: Did the health care reform legislation eliminate COBRA?

No. The new health care reform legislation, The Patient Protection and Affordable Care Act (PPACA) as amended by the Health Care and Education Reconciliation Act, 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.

Q4: How does the new health care reform legislation affect my coverage under my group health plan?

The new health care reform legislation, The Patient Protection and Affordable Care Act (PPACA) as amended by the Health Care and Education Reconciliation Act, makes many changes to employee health benefit plans. Some of the changes go into effect for the first plan year that begins on or after six months after enactment (September 23, 2010), so for calendar year plans, January 1, 2011. However, many changes do not go into effect until the first plan year beginning on or after January 1, 2014.

- EBSA has developed a dedicated Web page on the new health reform law – the Patient Protection and Affordable Care Act. You can also get to the dedicated Web page from EBSA's Home Page www.dol.gov/ebsa by selecting the first button on the right hand navigation bar.
- EBSA is adding information regarding the new law as it becomes available so we suggest that you subscribe to the page. (There is a subscribe button in the header of the page.) As new information is added such as Frequently Asked Questions, Fact Sheets, and technical guidance you will receive notification by email that the new information is available.
- HHS also has a Web site addressing many of the questions people have about the new legislation at www.healthcare.gov.