

- **What is COBRA?**
 - COBRA is actually a law, not a type of insurance plan. **COBRA allows you to continue the SAME workplace health insurance coverage after a qualifying event that would otherwise result in a loss of coverage.** Employers are required to offer this extension under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA).¹

- **Qualifying events & Length of COBRA Coverage¹**
 - For Employees (18 months coverage): Voluntary termination of employment (quit job, retired), involuntary termination of employment (fired, laid off, furloughed - except in cases of gross misconduct), reduction of hours (resulting in loss of coverage)
 - For Spouses/Dependents (36 months coverage): Separation or divorce from covered employee, loss of dependent status at age 26, death of covered employee, or covered employee becomes eligible for Medicare

- **What is covered under COBRA?**
 - Your coverage will be identical to the coverage you had before the qualifying event (same deductibles, copays, etc.) However, before the qualifying event, the employer was paying a portion of the premium by deducting it from the covered employee's wages. **With COBRA, you must now pay 100% of the premium** as well as a potential 2% COBRA administration fee.¹
 - 2% administration fee goes to the COBRA plan administrator that is responsible for managing employer's COBRA dealings. This administrator can be within the employer's HR department or the employer may use a 3rd party.

- **When does COBRA coverage begin?**
 - Your coverage begins on the day of the qualifying event. You will be reimbursed for any out-of-pocket medical expenses that would otherwise be covered during the COBRA election period.¹
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- **How do I enroll in COBRA if I have a qualifying event?**

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If the qualifying event is the covered employee's termination/reduction of hours, enrollment in Medicare, or death: the employer is required to notify your group health plan administrator within 30 days. ²	If the qualifying event is divorce, legal separation, or loss of dependency status: YOU are required to notify the health plan, usually within 60 days. ²
In both cases: Within 14 days of your health plan being noticed, you should receive a notice from your employer of your right to COBRA benefits and instructions on how to enroll in	

COBRA, either online or through a paper application. You have 60 days to elect COBRA coverage.¹ If you waive COBRA at first, you can still change your mind so long as it is within the 60 days. Each qualified beneficiary must independently elect COBRA.²

- **Should I elect COBRA?**
 - This decision depends on your situation but keep in mind that it can get expensive to keep your former health insurance now that you are paying 100% of the premium and the 2% COBRA administration fee. The average out-of-pocket cost for COBRA insurance is \$400-\$800/month.

- **What are alternatives to COBRA if I decide not to elect it?**
 - You may choose not to elect COBRA because your original health insurance plan is not the most affordable option. Instead, you can buy Short-Term Medical Insurance from the Marketplace. It is often cheaper and you can start right away, but the quality of coverage is lower.¹

Sources:

1. www.cobrainsurance.com
2. <https://www.dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/faqs/cobra-continuation-health-coverage-consumer.pdf>