



# COBRA Mississippi

## Comparison of Federal and Mississippi Continuation Laws

	FEDERAL (COBRA)	MISSISSIPPI
<b>Covered Employers and Health Plans</b>	Group health plans (fully insured and self-insured) maintained by private-sector, state and local government employers with <b>20 or more employees</b> . However, group health plans sponsored by the federal government or by churches are exempt from COBRA.	Insured group health plans that provide hospital, surgical or major medical benefits (not including specific diseases or accidental injuries only, dental or vision) must provide continuation coverage to employees, spouses and dependent children. State continuation coverage is not available to any individual who is eligible for federal COBRA coverage.  Self-insured ERISA plans are not subject to state continuation coverage requirements. Non-ERISA plans that are self-insured should consult their plan's terms.
<b>Qualified Beneficiaries</b>	An employee, spouse or dependent child covered by a group health plan on the day before a qualifying event. In addition, any child born to or placed for adoption with a covered employee during the period of COBRA coverage is considered a qualified beneficiary.	Employees, spouses and dependent children who have been continuously insured under group policy for at least <b>three consecutive months</b> immediately before date of termination. Continuation is not available to any person who: <ul style="list-style-type: none"> <li>• Is (or could be) covered by other group health coverage within 31 days after termination;</li> <li>• Had his or her coverage terminated for fraud or failure to pay premiums;</li> <li>• Is eligible for federal COBRA; or</li> <li>• Becomes entitled to Medicare.</li> </ul>

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<b>Qualifying Events</b>	<p>Events that trigger an obligation to offer COBRA coverage include:</p> <ul style="list-style-type: none"> <li>• Termination of employment for reasons other than gross misconduct (all qualified beneficiaries);</li> <li>• Reduction in the number of hours of employment (all qualified beneficiaries);</li> <li>• Covered employee's becoming entitled to Medicare (spouse and dependent children);</li> <li>• Divorce or legal separation of the covered employee (spouse and dependent children);</li> <li>• Death of the covered employee (spouse and dependent children); and</li> <li>• Loss of dependent child status under the plan (dependent children).</li> </ul>	<p>Events that trigger an obligation to offer continuation coverage include:</p> <ul style="list-style-type: none"> <li>• Termination of employment (all qualified beneficiaries);</li> <li>• Termination of membership in the eligible class under the policy (all qualified beneficiaries);</li> <li>• Death of employee (spouse and dependent children);</li> <li>• Divorce from employee (spouse and dependent children);</li> <li>• Employee becomes entitled to Medicare (spouse and dependent children); and</li> <li>• Child ceases to be an eligible dependent under plan rules (dependent children).</li> </ul>
<b>Maximum Continuation Period</b>	<p>The maximum duration of COBRA coverage depends on the type of qualifying event, as follows:</p> <p><b>18 months</b> - Employment termination or reduction in hours of work</p> <p><b>29 months</b> - The Social Security Administration (SSA) determines the qualified beneficiary is disabled during the first 60 days of COBRA coverage. This 11-month extension applies to the qualified beneficiary with the disability and all of the qualified beneficiaries in the family.</p> <p><b>36 months</b> - Divorce or legal separation, employee's death, entitlement to Medicare or loss of dependent child status</p> <p><b>36 months</b> - After a qualifying event that is an employment termination or a reduction in hours of work, a second qualifying event occurs that is the death of the employee, the divorce or legal separation of the covered employee and spouse, Medicare entitlement (in certain circumstances) or loss of dependent child status under the plan.</p>	<b>12 months</b>

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<b>Early Termination of Coverage</b>	<p>COBRA coverage may end earlier than the maximum continuation period if:</p> <ul style="list-style-type: none"> <li>• Premiums are not paid on a timely basis;</li> <li>• The employer ceases to maintain any group health plan;</li> <li>• After the COBRA election, coverage is obtained with another employer group health plan (including any group health plan of a governmental employer); or</li> <li>• After the COBRA election, a beneficiary becomes entitled to Medicare benefits.</li> </ul> <p>Also, when a qualified beneficiary's COBRA coverage has been extended due to disability and the qualified beneficiary is no longer disabled, coverage may terminate at the end of the maximum coverage period that applies without regard to the disability extension or, if later, the first day of the month that is more than 30 days after a final determination by the SSA that the qualified beneficiary is no longer disabled.</p>	<p>Continuation coverage may end earlier than the maximum 12-month continuation period if:</p> <ul style="list-style-type: none"> <li>• Premiums are not paid on a timely basis;</li> <li>• The employee or dependent becomes covered (or is eligible for coverage) under another group health plan providing similar benefits;</li> <li>• The group policy terminates;</li> <li>• The member legally resides outside the service area of a health maintenance organization (HMO);</li> <li>• The surviving or former spouse remarries and becomes covered under a group health plan that does not exclude coverage for preexisting conditions; or</li> <li>• The employee or dependent becomes entitled to benefits under Medicare.</li> </ul>
<b>Notice Requirements</b>	<p>Health plan administrators must provide an <b>initial general notice</b> when group health coverage begins. When a qualifying event occurs, health plan administrators must provide an <b>election notice</b> regarding rights to COBRA continuation benefits to each qualifying beneficiary who loses plan coverage in connection with the qualifying event.</p> <p>Qualified beneficiaries must respond to this notice and elect COBRA coverage by the <b>60th day</b> after the written notice is sent or the day health care coverage would end, whichever is later.</p> <p>Additional COBRA notice requirements apply under federal law.</p>	<p>A notification of continuation privilege must be included in each certificate of coverage.</p> <p>The insurer must provide notice of the continuation privilege within 14 days after:</p> <ul style="list-style-type: none"> <li>• The employee's death, to the person eligible to elect continuation;</li> <li>• The employee notifies the insurer of the child's ineligibility, to the child; and</li> <li>• The employee notifies the insurer of his or her divorce, to the dependent spouse.</li> </ul> <p>The employee or eligible dependent must make a written election for continuation coverage within <b>30 days</b> of the insurer's notice and must pay the first premium on or before the date that the insurance would otherwise terminate.</p>

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<b>Premium Rules</b>	<p>The maximum amount charged to qualified beneficiaries cannot exceed 102 percent of the plan’s total cost of coverage for similarly situated individuals. For qualified beneficiaries receiving the 11-month disability extension, the premium for those additional months may be increased to 150 percent of the plan's total cost of coverage.</p> <p>Plans must provide at least 45 days after the election for making an initial premium payment. The plan sponsor may establish due dates for later payments, but it must provide a minimum 30-day grace period for each payment.</p>	<p>The premium for continuation coverage cannot exceed the full group rate applicable to the qualified beneficiary under the group policy. The first premium must be paid on or before the date that the insurance would otherwise terminate.</p>
<b>Applicable Statutes</b>	<p>IRC § 4980B, ERISA §601 <i>et seq.</i>, 29 CFR §§ 2590.606–1 through 2590.606–4.</p>	<p>Mississippi Code Annotated § 83-9-51</p>
<b>Government Agency Contact</b>	<p>Departments of Labor and Treasury (private sector plans) and Department of Health and Human Services (public sector plans). More information on COBRA coverage is available from the <a href="#">Department of Labor</a>.</p>	<p><a href="#">Mississippi Insurance Department</a></p>