



# COBRA Maine



## Comparison of Federal and Maine Continuation Laws

	FEDERAL (COBRA)	MAINE
<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 maintained by the federal government or by churches are exempt from COBRA.	Group health insurance policies that are not subject to federal COBRA must comply with state continuation coverage requirements.  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 who were covered by the group health plan for at least <b>six months</b> prior to the qualifying event. Employees may elect continuation coverage for their dependents who were covered by a group health plan for at least three months prior to the qualifying event (unless the dependents were not eligible for coverage until after the beginning of the three-month period).
<b>Qualifying Events</b>	Events that trigger an obligation to offer COBRA coverage include: <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> </ul>	Events that trigger an obligation to offer state continuation coverage include: <ul style="list-style-type: none"> <li>• Temporary layoff; and</li> <li>• Termination of employment due to a work-related injury or disease.</li> </ul>

	<ul style="list-style-type: none"> <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><b>Maximum Continuation Period</b></p>	<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>	<p>State continuation coverage may continue until <b>one year</b> from the last day of work.</p>
<p><b>Early Termination of Coverage</b></p>	<p>Coverage begins on the date that coverage would otherwise have been lost by reason of a qualifying event and will end at the end of the maximum period. It may end earlier 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</li> </ul>	<p>Coverage begins on the date that coverage would otherwise have been lost by reason of a qualifying event and will end at the end of the maximum period. It may end earlier if:</p> <ul style="list-style-type: none"> <li>• Premiums are not paid on a timely basis;</li> <li>• The individual becomes eligible for coverage under another group policy; or</li> </ul>

	<p>health plan (including any group health plan of a governmental employer); or</p> <ul style="list-style-type: none"> <li>• After the COBRA election, a beneficiary becomes entitled to Medicare benefits.</li> </ul>	<ul style="list-style-type: none"> <li>• The Workers' Compensation Board determines the injury or disease is not compensable.</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. Additional COBRA notice requirements apply under federal law.</p>	<p>Employees have 31 days from the termination of coverage to elect and make the initial payment for continuation coverage.</p>
<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 may not exceed 102 percent of the group rate in effect for a group member (including an employer's contribution, if any).</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>24-A M.R.S.A. § 2809-A</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>State of Maine Professional &amp; Financial Regulation (<a href="#">Bureau of Insurance</a>)</p>