



# COBRA Nebraska



## Comparison of Federal and Nebraska Continuation Laws

	FEDERAL (COBRA)	NEBRASKA
<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 policies for specific diseases or accidental injuries only) and which are maintained by employers with <b>fewer than 20 employees</b> . 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.	Covered employees who experience an involuntary termination of employment for reasons other than misconduct, and covered surviving spouses and covered surviving dependent children following the death of an employee.
<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>• Involuntary termination of employment for reasons other than misconduct in connection with employment (employee); and</li> <li>• Death of employee (covered surviving spouses and covered surviving dependent children).</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><b>Six months</b> - Involuntary termination of employment for reasons other than misconduct in connection with employment.</p> <p><b>12 months</b> - Death of employee.</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> </ul>	<p>Coverage must be continued on a monthly renewal basis until the earliest of the following dates:</p> <ul style="list-style-type: none"> <li>• Six months following the date coverage for a terminated employee would otherwise terminate;</li> <li>• 12 months following the date coverage for a deceased</li> </ul>

	<ul style="list-style-type: none"> <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>employee would otherwise terminate;</p> <ul style="list-style-type: none"> <li>• The date of eligibility for other group hospital, surgical or medical coverage (whether insured or self-insured);</li> <li>• The date the terminated employee becomes eligible for Medicare;</li> <li>• With respect to a covered surviving spouse, the date the spouse remarries, becomes eligible for Medicare or is covered by Medicaid;</li> <li>• If premiums are not paid on a timely basis, the date of expiration of the period for which premiums were paid;</li> <li>• The date a terminated employee, covered surviving spouse or surviving dependent child converts to an individual or family policy; or</li> <li>• The date the group policy or HMO agreement is terminated.</li> </ul>
<p><b>Notice Requirements</b></p>	<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>No later than <b>10 days</b> after the qualifying event, the employer must send notice by certified mail with return receipt requested to the qualified beneficiary at his or her home address as shown on employer records. This notice must state:</p> <ul style="list-style-type: none"> <li>• The qualified beneficiary’s right to elect to continue coverage and the election form to be used;</li> <li>• The amount of each monthly premium;</li> <li>• The manner and time in which the election form must be completed; and</li> <li>• To whom the election form must be returned and that each monthly premium must be paid.</li> </ul> <p>Qualified beneficiaries who elect to continue coverage must send the</p>

		<p>election form and first monthly premium to the insurance company or HMO by certified mail with return receipt requested within:</p> <ul style="list-style-type: none"> <li>• 10 days after receipt of notice for the terminated employee; or</li> <li>• 31 days after the employee's date of death.</li> </ul> <p>Premiums for each subsequent month must be paid without further notice to the insurance company or HMO.</p>
<p><b>Premium Rules</b></p>	<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 monthly premium for state continuation coverage may not exceed 102 percent of the total premium, which would have been charged for the coverage had the employee still been a member of the insured group.</p>
<p><b>Special State Continuation Rules</b></p>	<p>Not applicable</p>	<p><b>Divorce:</b> For purposes of continuation of health insurance coverage, a decree dissolving a marriage becomes final and operative six months after the decree is entered.</p> <p><b>Subject of Abuse:</b> A person who is a subject of abuse must apply for continuation coverage within 60 days after termination of the abuser's group coverage. Continued coverage may end after it has been in effect for <b>18 months</b>, if an equivalent individual conversion plan is offered. The insurer may require the individual to provide evidence that he or she is a subject of abuse if the requirement is applied to all insureds.</p> <p><b>Continuation Coverage for Dependent Children:</b> If coverage under the plan would otherwise terminate because a covered child ceases to be a dependent, ceases to be</p>

		<p>a full-time student, or attains an age which exceeds the specified age at which coverage ceases pursuant to the plan, the plan must provide the <b>option</b> to the insured to continue coverage for such child through the end of the month in which the child:</p> <ul style="list-style-type: none"> <li>• Marries;</li> <li>• Ceases to be a resident of the state, unless the child is under 19 years of age or is enrolled on a full-time basis in any college, university, or trade school;</li> <li>• Receives coverage under another health benefit plan or a self-funded employee benefit plan providing similar coverage; or</li> <li>• Reaches 30 years of age.</li> </ul> <p>The health benefit plan may require a written election from the insured as well as an additional premium for the child, which may not vary based upon the health status of the child and may not exceed the amount the plan would receive for an identical individual for a single adult insured. The employer is not required to contribute to any additional premium for this continuation coverage.</p>
<p><b>Applicable Statutes</b></p>	<p>IRC § 4980B, ERISA §601 <i>et seq.</i>, 29 CFR §§ 2590.606-1 through 2590.606-4.</p>	<p>Nebraska Revised Stats. §§ 44-1640 to 44-1645, 44-7406, 44-7,103</p>
<p><b>Government Agency Contact</b></p>	<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="#">Nebraska Department of Insurance</a></p>