



# COBRA New Mexico

## Comparison of Federal and New Mexico Continuation Laws

	FEDERAL (COBRA)	NEW MEXICO
<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.	Group health insurance policies that provide hospital, surgical and medical expense benefits. 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 and covered family members
<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> </ul>	<p>An employee's <b>termination of employment</b> triggers an obligation to offer continuation coverage.</p> <p>There is no right to continuation coverage when group coverage terminates for:</p> <ul style="list-style-type: none"> <li>• Nonpayment of premium;</li> <li>• Nonrenewal of policy; or</li> <li>• Expiration of term for which policy is issued.</li> </ul> <p>When an employee or covered family member is eligible for Medicare (or any similar federal or state health insurance program), the right to continuation or conversion is limited to coverage under Medicare supplement insurance policy.</p>

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	<ul style="list-style-type: none"> <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>	
Maximum Continuation Period	<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> – Employees may continue coverage for a period of six months upon a termination of employment.</p> <p>Covered family members may continue coverage through converted or separate policy upon death, divorce, annulment, dissolution or legal separation.</p>
Early Termination of Coverage	<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 (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>	No provision

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	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.	
<b>Notice Requirements</b>	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. 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.	When coverage begins, issuer must provide each employee with a summary of the policy's continuation and conversion provisions.  Upon termination of employment, issuer must (or employer may) notify employee of continuation and conversion provisions of policy.  Employee or covered family member exercising continuation or conversion rights must notify employer or issuer and make premium payment within <b>30 days</b> of the issuer's notice.
<b>Premium Rules</b>	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.  Plans must provide at least <b>45 days</b> 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.	Employee or covered family member exercising continuation or conversion rights must notify employer or issuer and make premium payment within <b>30 days</b> of the issuer's notice.

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<b>Applicable Statutes</b>	IRC § 4980B, ERISA §601 <i>et seq.</i> , 29 CFR §§ 2590.606-1 through 2590.606-4.	New Mexico Statutes § 59A-18-16
<b>Government Agency Contact</b>	Departments of Labor and the Treasury (private sector plans) and the Department of Health and Human Services (public sector plans). More information on COBRA coverage is available from the <a href="#">Department of Labor</a> .	New Mexico <a href="#">Office of Superintendent of Insurance</a>