



COBRA Washington

Comparison of Federal and Washington Continuation Laws

	FEDERAL (COBRA)	WASHINGTON
Covered Employers and Health Plans	Group health plans (fully insured and self-insured) maintained by private-sector, state and local government employers with 20 or more employees . However, group health plans sponsored by the federal government or by churches are exempt from COBRA.	Washington does not have its own continuation coverage law. However, under state law, insurance companies selling small group health plans to employers must offer the employer the option to include a continuation provision in the plan policy . <i>Under a separate state insurance law, employees whose compensation is suspended or terminated as a result of a strike, lockout or other labor dispute have the right to pay premiums for up to six months for coverage under the group health plan.</i>
Qualified Beneficiaries	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.	Continuation plans allow a person who becomes ineligible for coverage under the group health plan the right to continue the group health plan. If the employer chooses to include a policy provision granting continuation coverage, the insurance company and the employer decide how long enrollees can continue coverage under the plan and what the premiums will cost.

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Qualifying Events	<p>Events that trigger an obligation to offer COBRA coverage include:</p> <ul style="list-style-type: none"> • Termination of employment for reasons other than gross misconduct (all qualified beneficiaries); • Reduction in the number of hours of employment (all qualified beneficiaries); • Covered employee's becoming entitled to Medicare (spouse and dependent children); • Divorce or legal separation of the covered employee (spouse and dependent children); • Death of the covered employee (spouse and dependent children); and • Loss of dependent child status under the plan (dependent children). 	
Maximum Continuation Period	<p>The maximum duration of COBRA coverage depends on the type of qualifying event, as follows:</p> <p>18 months - Employment termination or reduction in hours of work</p> <p>29 months – 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>36 months – Divorce or legal separation, employee's death, entitlement to Medicare or loss of dependent child status</p> <p>36 months – 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>If a small employer decides to incorporate a continuation coverage provision, the insurance company and employer decide how long enrollees are covered under the plan, and what the premiums will cost.</p>

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Early Termination of Coverage	<p>Coverage begins on the date that coverage would otherwise have been lost because 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"> • Premiums are not paid on a timely basis; • The employer ceases to maintain any group health plan; • After the COBRA election, coverage is obtained with another employer group health plan (including any group health plan of a governmental employer); or • After the COBRA election, a beneficiary becomes entitled to Medicare benefits. 	<p>If a small employer decides to incorporate a continuation coverage provision, the insurance company and employer decide how long enrollees are covered under the plan, and what the premiums will cost.</p>
Notice Requirements	<p>Health plan administrators must provide an initial general notice when group health coverage begins. When a qualifying event occurs, health plan administrators must provide an election notice 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 60th day 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>Not addressed in state statutes</p>
Premium Rules	<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</p>	<p>If a small employer decides to incorporate a continuation coverage provision, the insurance company and employer decide how long enrollees are covered under the plan, and what the premiums will cost.</p>

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	provide a minimum 30-day grace period for each payment.	
Applicable Statutes	IRC § 4980B, ERISA §601 <i>et seq.</i> , 29 CFR §§ 2590.606–1 through 2590.606–4.	Washington Rev. Code §§ 48.21.250, 48.46.440, 48.21.075
Government Agency Contact	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 Department of Labor .	Office of the Insurance Commissioner