



# COBRA Rhode Island

## Comparison of Federal and Rhode Island Continuation Laws

	FEDERAL (COBRA)	RHODE ISLAND
<b>Covered Employers and Health Plans</b>	Group health plans 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 hospital, surgical, dental, vision or medical insurance policies must provide continuation 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 other dependents covered by the group policy before the qualifying event. State continuation coverage does not apply to employees in the construction industry who participate in a multiemployer welfare plan.
<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>Events that trigger an obligation to offer state continuation coverage include:</p> <ul style="list-style-type: none"> <li>• Involuntary layoff (all qualified beneficiaries);</li> <li>• Death of the employee (spouse and dependents);</li> <li>• Workplace ceases to exist (all qualified beneficiaries); and</li> <li>• Permanent reduction in the size of the workforce (all qualified beneficiaries).</li> </ul> <p>Also, covered spouses may continue coverage following a <b>divorce</b> if the final</p>

	FEDERAL (COBRA)	RHODE ISLAND
	<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>	<p>judgment of divorce includes an order to continue this coverage.</p>
<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>	<p>The maximum duration of continuation coverage depends on the type of qualifying event, as follows:</p> <p><b>All qualifying events, except divorce</b> – If the employee has been employed for at least 18 continuous months, then that individual and their dependents may receive up to <b>18 months of continuation coverage</b>. However, if an employee has been employed less than 18 continuous months, then the continuation coverage may not exceed the number of continuous months they were employed.</p> <p><b>Divorce</b> – Covered spouses must be allowed to continue coverage without an increase in premium after a divorce from the covered employee for as long as the employee is covered by the plan or, if earlier, until:</p> <ul style="list-style-type: none"> <li>• Either party remarries;</li> <li>• The coverage termination date is specified in the court order, if any; or</li> <li>• The individual becomes eligible to participate in a comparable plan through their own employment.</li> </ul>
<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</li> </ul>	<p><b>All qualifying events, except divorce</b> – Coverage may end earlier than the maximum coverage period if the individual becomes employed by another employer and is eligible for benefits under another group plan.</p> <p><b>Divorce</b> – For individuals receiving continuation coverage as a result of divorce, coverage may continue for as long as the employee is covered by the plan, but may end earlier if:</p>

	FEDERAL (COBRA)	RHODE ISLAND
	<p>(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> <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>	<ul style="list-style-type: none"> <li>• Either former spouse remarries;</li> <li>• The court order includes a termination date for the spouse’s continued coverage; or</li> <li>• The individual with continuation coverage becomes eligible for a comparable plan through their own employer.</li> </ul> <p>Former spouses who lose continuation coverage as a result of an employee’s remarriage have the right to purchase an individual policy from the carrier within 30 days.</p>
<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>Employers are required to post a “conspicuous notice” informing employees of their continuation coverage options.</p> <p>Individuals must apply for continuation coverage within <b>30 days</b> of the qualifying event.</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</p>	<p>Coverage must be at the same monthly premium rate for the group in which the employee was a member, or at the monthly premium rate that is currently in effect for the group after the employee elects continuation coverage.</p> <p>Qualified beneficiaries cannot be required to pay more than a monthly premium fee at one time.</p> <p>Premiums should be remitted to the employer, if the employer has more than 50 employees. For employers with 50 or</p>

	FEDERAL (COBRA)	RHODE ISLAND
	may establish due dates for later payments, but it must provide a minimum 30-day grace period for each payment.	fewer employees, payment should go directly to the insurer.
<b>Applicable Statutes</b>	IRC § 4980B, ERISA §601 <i>et seq.</i> , 29 CFR §§ 2590.606-1 through 2590.606-4.	Rhode Island Statutes §§ 27-19.1-1, 27-20.4-1, 27-20.4-2
<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> .	Rhode Island Department of Business Regulation, <a href="#">Insurance Division</a>