



COBRA Wisconsin

Comparison of Federal and Wisconsin Continuation Laws

	FEDERAL (COBRA)	WISCONSIN
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.	Insured group health plans providing medical and/or hospital coverage (except policies covering specific diseases and accidental injuries) are subject to state continuation coverage requirements. Dental, vision and prescription drug benefits are not subject to state continuation coverage requirements if they are offered as separate policies. Employer self-funded health plans are not subject to these requirements.
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.	Individuals continuously covered by a group health plan for at least three months prior to a qualifying event. This may include an employee, the employee's spouse or a dependent.
Qualifying Events	Events that trigger an obligation to offer COBRA coverage include: <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); 	Events that trigger an obligation to offer state continuation coverage include: <ul style="list-style-type: none"> • An employee's loss of eligibility for coverage under the group policy, other than a termination of employment for misconduct (all qualified beneficiaries);

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	<ul style="list-style-type: none"> • 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). 	<ul style="list-style-type: none"> • A divorce or annulment that would terminate coverage for a former spouse (spouses); and • An employee’s death (spouse and dependents).
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>18 months – Qualified beneficiaries are entitled to at least 18 months of continuation coverage.</p>
Early Termination of Coverage	<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"> • 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>Coverage begins on the date that coverage would otherwise have been lost by reason of a qualifying event and will terminate at the end of the 18-month maximum period. It may end earlier if:</p> <ul style="list-style-type: none"> • Premiums are not paid on a timely basis; • The covered individual establishes residence outside of Wisconsin; • For a spouse who is continuing coverage following a divorce or annulment, the employee

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		<p>(former spouse) loses eligibility for group coverage; or</p> <ul style="list-style-type: none"> The covered individual becomes eligible for similar coverage under another group policy. <p>Individuals who become eligible for Medicare are still eligible for state continuation coverage, although the coverage is not required to duplicate benefits payable by Medicare.</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. Additional COBRA notice requirements apply under federal law.</p>	<p>Employers are required to provide written notice of the right to continuation coverage within five days after being notified of a qualifying event. Each policy's certificate of coverage must also include a notice of continuation coverage rights.</p> <p>Employees wishing to elect continuation coverage must remit the required premium within 30 days of receiving the notice of the right to continuation coverage, to avoid a lapse in coverage.</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 provide a minimum 30-day grace period for each payment.</p>	<p>The premium for continuation coverage may not exceed the group rate in effect for a group member, including an employer's contribution.</p>
Applicable Statutes	<p>IRC § 4980B, ERISA §601 <i>et seq.</i>, 29 CFR §§ 2590.606–1 through 2590.606–4.</p>	<p>Wis. Stat. § 632.897</p>
Government Agency Contact	<p>Departments of Labor and Treasury (private sector plans) and Department of Health and Human Services (public sector plans). More</p>	<p>Wisconsin Office of Commissioner of Insurance</p>

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	information on COBRA coverage is available from the Department of Labor .	