



COBRA Utah



Comparison of Federal and Utah Continuation Laws

	FEDERAL (COBRA)	UTAH
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.	Group health insurance policies are subject to the state's continuation coverage law. Self-insured ERISA plans are not subject to these continuation coverage requirements. Non-ERISA plans that are self-insured should consult their plan's terms.
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.	An employee, spouse or dependent who would lose coverage under the group health plan due to a qualifying event. Individuals who are eligible to continue coverage under federal COBRA are not eligible for state continuation coverage. Also, to be eligible for continuation coverage, an individual must be covered under the group policy for a period of at least three months immediately before the termination of coverage due to a qualifying event.
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); 	<p>Events that trigger an obligation to offer continuation coverage include:</p> <ul style="list-style-type: none"> • Voluntary or involuntary termination of employment for reasons other than gross misconduct (all qualified beneficiaries); • Retirement (all qualified beneficiaries); • Death (spouse and dependent children);

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	<ul style="list-style-type: none"> • 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). 	<ul style="list-style-type: none"> • Divorce or legal separation (spouse and dependent children); • Loss of dependent status (dependent children); • Sabbatical (all qualified beneficiaries); • Disability (all qualified beneficiaries); • Leave of absence (all qualified beneficiaries); and • Reduction in hours (all qualified beneficiaries). <p>Continuation coverage is not available to qualified beneficiaries who:</p> <ul style="list-style-type: none"> • Fail to pay the required premium or contribution; • Acquire other group coverage covering all pre-existing conditions; • Perform an act of fraud regarding coverage; • Make an intentional misrepresentation of material fact under the terms of the coverage; • Establish residence outside of Utah; • Move out of the insurer's service area; • Are eligible for similar coverage under another group insurance policy; or • Have their coverage terminated because the employer's group health insurance coverage is terminated (unless the terminated coverage is replaced with similar coverage without interruption).
<p>Maximum Continuation Period</p>	<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</p>	<p>12 months for all qualifying events</p>

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	<p>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>	
Early Termination of Coverage	<p>COBRA coverage may end earlier than the maximum continuation period 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>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>	<p>An insured’s continuation coverage may be terminated before the 12-month maximum coverage period if the insured:</p> <ul style="list-style-type: none"> • Establishes residence outside of Utah; • Moves out of insurer’s service area; • Fails to pay premiums in accordance with the policy’s terms; • Performs fraud in connection with the coverage; • Makes an intentional misrepresentation of material fact under terms of the coverage; • Becomes eligible for similar coverage under another group policy; or • Has his or her coverage terminated because the employer’s group health insurance coverage is terminated (unless the terminated coverage is replaced with similar coverage without interruption).

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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>Employers must provide written notification of the right to extend group coverage and payment information to a terminated insured or ex-spouse, or to a surviving spouse and guardian of surviving dependents (if different from surviving spouse), within 30 days after termination date of group coverage.</p> <p>The insurance carrier must provide employee, spouse or any eligible dependent with an opportunity to extend group coverage if the employer does not provide the required written notification and the eligible individual contacts the carrier within 60 days of coverage termination.</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 maximum premium for continuation coverage may not exceed 102 percent of the group rate in effect for a group member, including an employer's contribution, if any.</p>
Applicable Statutes	<p>IRC § 4980B, ERISA §601 <i>et seq.</i>, 29 CFR §§ 2590.606-1 through 2590.606-4.</p>	<p>Utah Statutes § 31A-22-722</p>
Government Agency Contact	<p>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 Department of Labor.</p>	<p>Utah Insurance Department</p>