



# COBRA Massachusetts

## Comparison of Federal and Massachusetts Continuation Laws

	FEDERAL (COBRA)	MASSACHUSETTS
<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 health insurance policies issued to small employers (2-19 employees). Self-insured ERISA plans are not subject to state continuation coverage requirements. Also, limited-scope dental or vision benefits that are offered separately 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.	An employee, spouse or dependent child covered by the group insurance policy on the day before the qualifying event.
<b>Qualifying Events</b>	Events that trigger an obligation to offer COBRA coverage include: <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> </ul>	Same as COBRA

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	<ul style="list-style-type: none"> <li>• Divorce or legal separation of the covered employee (spouse and dependent children);</li> <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>	
<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. 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>	Same as COBRA
<b>Early Termination of Coverage</b>	<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"> <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 (including any</li> </ul>	<p>Continuation coverage must be provided for the maximum period from the date coverage would have been lost. Coverage may terminate earlier if:</p> <ul style="list-style-type: none"> <li>• Premiums are not paid on a timely basis;</li> <li>• The carrier ceases to provide a health benefit plan to other similarly situated eligible employees of the small business;</li> <li>• After the COBRA election, the qualified beneficiary becomes</li> </ul>

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	<p>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>covered by any other health benefit plan; or</p> <ul style="list-style-type: none"> <li>• After the COBRA election, the qualified beneficiary becomes entitled to benefits under Medicare.</li> </ul>
<b>Notice Requirements</b>	<p>Health plan administrators must provide an <b>initial general notice</b> when group health coverage begins.</p> <p>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>Employers must notify their plan administrators within 30 days after an employee's termination or after a reduction in hours that causes an employee to lose health benefits.</p> <p>The plan administrator must provide notice to individual employees of their right to elect COBRA coverage (election notice) within 14 days after the administrator has received notice from the employer.</p> <p>Employee 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 ceased, whichever is later. Otherwise, employee will lose all rights to COBRA benefits.</p>	<p>The carrier must provide an initial notice of continuation coverage rights when an individual begins coverage under the policy.</p> <p>Once the carrier is aware that a qualifying event has occurred, it must provide notice to the qualified beneficiary of his or her continuation coverage rights. This notice must be provided within 14 days of the date the small group carrier becomes aware of the qualifying event.</p> <p>Qualified beneficiaries are required to notify the carrier of the qualifying events that are a divorce or legal separation or a dependent child no longer meeting the plan's eligibility requirements.</p> <p>Qualified beneficiaries choosing to elect continuation coverage are required to notify the carrier within <b>60 days</b> from the later of:</p> <ul style="list-style-type: none"> <li>• The date on which coverage is terminated; or</li> <li>• The date the election notice is sent.</li> </ul> <p>The carrier may require the small business to issue notices to qualified beneficiaries under the terms of its contract.</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</p>	<p>Same as COBRA</p>

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	payment. The plan sponsor may establish due dates for later payments, but it must provide a minimum 30-day grace period for each payment.	
<b>Applicable Statutes</b>	IRC § 4980B, ERISA §601 <i>et seq.</i> , 29 CFR §§ 2590.606–1 through 2590.606–4.	Massachusetts G.L. c. 176J, § 9
<b>Government Agency Contact</b>	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 <a href="#">Department of Labor</a> .	<a href="#">Massachusetts Consumer Affairs and Business Regulation (Insurance)</a>