



# COBRA Colorado



## Comparison of Federal and Colorado Continuation Laws

	FEDERAL (COBRA)	COLORADO
<b>Covered Employers and Health Plans</b>	Group health plans (fully insured and self-insured) 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 plans maintained by employers of any size. 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.	<p>An employee is eligible to elect continuation on his or her own behalf and on behalf of his or her covered dependents if:</p> <ul style="list-style-type: none"> <li>• The employee's eligibility has ended for a reason other than discontinuance of the group policy in its entirety or with respect to an insured class;</li> <li>• Any premium or contribution required by the employee has been paid to the termination date; and</li> <li>• The employee has been continuously covered under the policy for <b>at least six months</b> immediately prior to termination.</li> </ul> <p>An employer is not required to offer continuation coverage to any person who is covered by Medicare or Medicaid.</p>

	FEDERAL (COBRA)	COLORADO
<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> <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>Continuation coverage rights apply upon:</p> <ul style="list-style-type: none"> <li>• Termination of employment of an eligible employee;</li> <li>• The death of an eligible employee; or</li> <li>• A change in marital or civil union status of an eligible employee.</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 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>	<b>18 months</b>

	FEDERAL (COBRA)	COLORADO
<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 group health plan of a governmental employer); or</li> <li>• After the COBRA election, a beneficiary becomes entitled to Medicare benefits.</li> </ul>	<p>Continuation coverage terminates after 18 months or when the employee or dependent becomes eligible for other group coverage, whichever occurs first. However, if new coverage excludes a condition covered under the continued plan, coverage under the prior employer’s plan may be continued for the excluded condition for 18 months or until the new plan covers condition, whichever occurs first.</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>The employer must notify the employee in writing of his or her right to continue coverage upon termination from employment. Notice is required within 10 days of termination. The notice must inform the employee of:</p> <ul style="list-style-type: none"> <li>• The employee’s right to elect continuation coverage;</li> <li>• The amount the employee must pay monthly to employer;</li> <li>• The manner in which payment must be made, where payment should be sent and the payment deadline; and</li> <li>• The fact that coverage will be lost if payment is not timely made.</li> </ul> <p>The employee must notify the employer in writing of his or her election to continue coverage within 30 days of termination of employment. If the employer fails to notify the employee of right to continue coverage, the employee may elect to continue coverage during the 60-day period beginning on the date employment terminated.</p>

	FEDERAL (COBRA)	COLORADO
<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 may establish due dates for later payments, but it must provide a minimum 30-day grace period for each payment.</p>	<p>The employee’s election for continuation coverage must include payment. This election and payment are generally due within 30 days of termination of employment. However, if the employer fails to notify the employee of right to continue coverage, the employee may elect continuation coverage and make payment during the 60-day period beginning on the date employment terminated.</p>
<b>Applicable Statutes</b>	<p>IRC § 4980B, ERISA §601 <i>et seq.</i>, 29 CFR §§ 2590.606–1 through 2590.606–4.</p>	<p>Colo. Rev. Stat. §10-16-108</p>
<b>Government Agency Contact</b>	<p>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>.</p>	<p><a href="#">Colorado Department of Regulatory Agencies: Division of Insurance</a></p>