

**The Department of Labor Issues
Clarification on Health Reform's Impact on COBRA**

April 2010

On April 23, 2010, the U. S. Department of Labor issued guidance regarding the impact of the Patient Protection and Affordable Care Act as amended by the Health Care and Education Reconciliation Act (Health Reform) on COBRA. The COBRA guidance is set forth below, and can be found at the following link: <http://www.dol.gov/ebsa/faqs/faq-PPACA.html>

Q1: Did Health Reform extend the COBRA premium extension?

A1: No. Health Reform did not extend the eligibility time period for the COBRA premium reduction. Eligibility for the subsidy ends May 31, 2010; however, those individuals who become eligible on or before May 31, 2010 can still receive the full 15 months as long as they remain otherwise eligible.

Q2: Did Health Reform extend the time period I can have COBRA beyond 18 months?

A2: No. Health Reform did not extend the maximum time periods of continuation coverage provided by COBRA. COBRA establishes required periods of coverage for continuation health benefits. A plan, however, may provide longer periods of coverage beyond those required by COBRA. COBRA beneficiaries generally are eligible for group coverage during a maximum of 18 months for qualifying events due to employment termination or reduction of hours of work. Certain qualifying events, or a second qualifying event during the initial period of coverage, may permit a beneficiary to receive a maximum of 36 months of coverage.

Individuals who become disabled can extend the 18 month period of continuation coverage for a qualifying event that is a termination of employment or reduction of hours. To qualify for additional months of COBRA continuation coverage, the qualified beneficiary must:

- Have a ruling from the Social Security Administration that he or she became disabled within the first 60 days of COBRA continuation coverage (or before), and
- Send the plan a copy of the Social Security ruling letter within 60 days of receipt, but prior to expiration of the 18-month period of coverage. If these requirements are met, the entire family qualifies for an additional 11 months of COBRA continuation coverage.

Q3: Did the health care reform legislation eliminate COBRA?

A3: No. Health Reform did not eliminate COBRA or change the COBRA rules.

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