



COBRA Georgia



Comparison of Federal and Georgia Continuation Laws

	FEDERAL (COBRA)	GEORGIA
Covered Employers and Health Plans	Group health plans (fully insured and self-insured) maintained by private-sector employers with 20 or more employees . Most group health plans maintained by governmental employers are required to offer COBRA. However, group health plans maintained by churches are exempt from COBRA.	Employer-sponsored group health insurance policies that provide hospital, surgical or major medical benefits. Self-insured ERISA plans are not subject to state continuation coverage requirements. State continuation coverage also does not apply to limited benefit insurance policies, such as dental, vision and any other accident and sickness insurance other than basic hospital expense, basic medical-surgical expense and comprehensive major medical insurance coverage. In addition to the group policy under which the employee or family member was covered, the employee and any qualifying individuals must be offered the option of continuation coverage through a high deductible health plan (HDHP) that is compatible with a health savings account (HSA), if this type of plan is currently offered by the employer.
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.	A group member whose coverage would otherwise be terminated and who has been covered under the group plan for at least six months prior to termination, is entitled to have his or her coverage and dependent coverage continued.



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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); • 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). 	<p>Events that would otherwise terminate health plan coverage for a group member, except continuation coverage is not available if health coverage plan coverage would terminate because of the member's failure to pay premiums or a member's termination of employment for cause. Also, continuation coverage rights do not apply if the group plan was terminated in its entirety or was terminated with respect to a class to which the group member belonged.</p>
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</p>	<p>Continuation coverage must continue for the fractional policy month remaining, if any, at termination plus three additional policy months.</p> <p><i>Extended Continuation Coverage for Individuals Age 60 and Over:</i> Group health insurance plans that cover 20 or more employees must provide extended continuation coverage for individuals age 60 and over and their dependents. The premium for this coverage cannot exceed 120 percent of the current group member premium rate.</p> <ul style="list-style-type: none"> • If a group member was age 60 or older at the time his or her state continuation coverage or federal COBRA coverage began, he or she may continue coverage after the maximum continuation expires. This continuation extension does not apply if the member's termination of employment was voluntary or for reasons that would cause a forfeiture of unemployment compensation.

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	child status under the plan.	<ul style="list-style-type: none"> Surviving spouses and divorced spouses who are age 60 or older at the time of the death/divorce may continue coverage under plan for themselves and any covered dependent children. <p>This extended continuation right terminates upon earliest of:</p> <ul style="list-style-type: none"> Failure to pay premiums when due; Plan is terminated for all group members; Member or spouse becomes insured under any other group health plan; or Member or spouse becomes eligible for Medicare.
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 that does not contain any exclusion or limitation with respect to any pre-existing condition of the beneficiary; or After the COBRA election, a beneficiary becomes entitled to Medicare benefits. 	No specific statutory provision
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</p>	<p>Each group certificate must have a separate provision outlining the continuation rights. Notice must include a full description of the continuation and conversion rights available, including all requirements, limitations and exceptions, the required premium, and the time of payment of all premiums due during the period of continuation or conversion.</p>

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	sent or the day health care coverage would end, whichever is later. Additional COBRA notice requirements apply under federal law.	
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>	Continuation coverage must be available at the same premium rate as active group members. Premiums must be paid on a monthly basis in advance as premiums become due during the coverage period.
Applicable Statutes	IRC § 4980B, ERISA §601 <i>et seq.</i> , 29 CFR §§ 2590.606-1 through 2590.606-4.	Georgia Code Ann. §§ 33-24-21.1, 33-24-21.2
Government Agency Contact	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 Department of Labor .	Office of Insurance and Safety Fire Commissioner