



This update is sent periodically to keep you informed of employee benefit plan issues that may impact your organization.



Special One Time Rule for COBRA Individuals

COBRA continuation coverage is available to eligible individuals (qualified beneficiaries) who lose group health plan coverage due to certain qualifying events (such as job loss, divorce, employee death, and loss of dependent child status). COBRA coverage is typically expensive and lasts for a limited period of time. On the other hand, qualified health plans available in the Marketplace are generally less expensive due to subsidies and continue for as long as an individual wishes to pay for coverage.

Once someone elects COBRA coverage, they cannot simply drop COBRA coverage and enroll in a qualified health plan through the Marketplace outside of the Marketplace's annual enrollment period or another special enrollment period. The government was concerned that there was confusion about this on behalf of the members on COBRA and it may have left people having to pay for COBRA coverage when they might prefer to pay less for the Marketplace coverage.

Because of the possible confusion, the government is giving individuals on COBRA a one-time opportunity to drop their COBRA coverage and obtain coverage through the Marketplace. This could result in a "win-win" as the individual may get off the employer's group health plan (COBRA participants tend to be high utilizers) and they may end up paying less for the coverage due to the subsidies.

To take advantage of this one-time special enrollment period, COBRA participants must enroll in the Exchange by July 1, 2014. These individuals should contact the Marketplace call center at 1-800- 318-2596 to activate the special enrollment period. They should inform the Marketplace call center that they are calling about their COBRA benefits and the Marketplace. Once determined eligible for the special enrollment period, consumers can then view all plans available to them and continue the enrollment process over the phone or online through creating an account on healthcare.gov or logging into their existing account.

The special one-time rule is available under the Federally Facilitated Exchange and the federal government is encouraging state run exchanges to offer this special one-time enrollment period

for those on COBRA. Not all states are following the federal government. For example, at the current time Kentucky is not allowing this special enrollment while California has a deadline of July 15th for the special enrollment.

You may want to contact those on COBRA to advise them about the special rules. Most people will find coverage through the marketplace cheaper than COBRA coverage if the person is entitled to the government subsidies.

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