



COBRA Continuation Coverage

Frequently Asked Questions

What is COBRA continuation coverage?

COBRA provides covered employees and/or their dependents with continued health care coverage following certain life events. COBRA provides certain former employees, retirees, spouses/ domestic partners, former spouses/domestic partners, and dependent children the right to temporary continuation of health coverage – medical, dental, vision – at group rates when it is lost due to certain events.

Who is entitled to this benefit?

Health care coverage under COBRA is available to Qualified Beneficiaries who experienced a Qualifying Event.

Qualified Beneficiaries – An individual covered by a group health plan on the day before a qualifying event who is either an employee, the employee's spouse/domestic partner or an employee's dependent child. A retired employee, the retired employee's spouse/domestic partner, and the retired employee's dependent children may be qualified COBRA beneficiaries. Any child born to, or placed for adoption with a covered employee during COBRA coverage is also qualified.

Non-Qualified Beneficiaries – A new spouse or dependent (except a child born to, or placed for adoption with a covered employee) acquired during the COBRA coverage period and after the initial qualifying event may be added to the plan, but they are not qualified beneficiaries because the marriage or addition of new dependent occurred after the initial qualifying event. A non-qualified beneficiary is not eligible for continued COBRA coverage should a second qualifying event occur during the coverage period.

Qualifying Events – Specific events that cause an individual to lose eligibility for health coverage. The type of qualifying event will determine who the qualified beneficiaries are and the amount of time they may access COBRA continuation coverage.

Employee Qualifying Events:

- Termination of employment for reasons other than gross misconduct
- Reduction in work hours

Spouse/Domestic Partner Qualifying Events:

- Termination of the covered employee's employment for any reason other than gross misconduct
- Reduction in the covered employee's work hours
- Covered employee becomes entitled to Medicare
- Divorce or legal separation from the covered employee
- Death of covered employee

Dependent Children Qualifying Events:

- Loss of dependent child status under the plan rules
- Termination of the covered employee's employment for any reason other than gross misconduct
- Reduction in the covered employee's work hours

- Covered employee becomes entitled to Medicare
- Divorce or legal separation of the covered employee
- Death of covered employee

How do I elect COBRA coverage?

You must notify Human Resources of a qualifying event within 31 days after your divorce or legal separation or when your child ceases to be covered as a dependent under plan rules. Seattle Housing Authority (SHA) must notify health care plan administrators of a qualifying event within 30 days after an employee's death, termination of employment, employment hour reduction or entitlement to Medicare.

Seattle Housing Authority will send you a COBRA election notice within 14 days after your qualifying event has been reported. You then have 60 days to decide whether to elect COBRA continuation coverage, and 45 days after electing coverage to pay the first premium. *Please note:*

- Coverage will not be continued until payment is received.
- Claims may be initially denied or pended; they will be retroactively processed after your payment is received.

Can individuals qualify for longer periods?

Yes, disability can extend the 18 month period of continuation coverage in the event of termination of employment or reduction of hours. To qualify for additional months of disability 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.
- Send the plan a copy of the Social Security ruling letter within 60 days of receipt, but before 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. An extended period of coverage costs 150% of the premium.

What if I experience another qualifying event?

If you experience another qualifying event during the first 18 months of coverage, you will be eligible for an additional 18 months (up to 36 months total). These events include the covered employee's death, divorce or legal separation, the covered employee's becoming entitled to Medicare benefits, or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan. You must notify the Human Resources Department, within 31 days after a second qualifying event occurs if you want to extend COBRA coverage.

If I waive COBRA coverage during the election period, can I get coverage at a later date?

Once the 60-day election period is over, you cannot get coverage later. If you waive COBRA coverage during the 60-day election period, you may revoke your waiver before the end of the election period. You may then elect COBRA coverage.

What if I become eligible for Medicare?

You may still enroll in COBRA if you were Medicare eligible **before** you were eligible for COBRA. You must enroll in Medicare Part B in order to maintain your COBRA coverage. If you become eligible for Medicare **after** you are on COBRA, you are no longer eligible for COBRA coverage, and may select a retiree medical and dental plan.

Who pays for COBRA coverage?

Beneficiaries are required to pay for COBRA coverage. The premium is 102 percent of the total active plan cost. For qualified beneficiaries receiving the 11 month disability extension of coverage, the premium for those additional months is increased to 150 percent of the cost.

How much does COBRA cost?

COBRA participants pay the full cost for the coverage chosen plus a 2% administrative fee. COBRA is more expensive than health coverage for active employees, since SHA pays a part of the premium for active employees, while COBRA participants pay the entire premium plus a 2% administrative fee. However, COBRA coverage is usually less expensive than individual health coverage.

Is the rate the same if I cover more than one dependent?

Yes, the COBRA rate is the same regardless of how many dependents you cover.

When are COBRA premiums due?

You have 45 days from the date you elect COBRA coverage to make your first payment, retroactive to the date your coverage would have otherwise ended. After the first payment, you must make subsequent premium payments by 15 days before each month of coverage. Your COBRA coverage will be canceled if your payment is not received within 30 days of the due date.

Can I pay for multiple months in advance?

Yes, you can pay for multiple months in advance. If you pre-pay your COBRA and decide to cancel your COBRA coverage, you will be refunded any unused months. For example, if you pre-pay your COBRA to May and cancel in March, you will be refunded for April and May. Seattle Housing (SHA) cannot refund the current month of coverage.

Will I receive new identification cards for my COBRA coverage?

Yes, you will receive new identification cards when you enroll in COBRA. They are mailed to you within 2-3 weeks after your COBRA coverage begins.

I have more questions about COBRA – who do I contact?

Seattle Housing Authority
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