



April 2010

COBRA: QUESTIONS & ANSWERS

WHAT IS COBRA?

COBRA is an acronym for the Consolidated Omnibus Reconciliation Act of 1985 that requires employers with group health plans to offer employees the option of remaining in the employer's group health insurance coverage if the former employee is not eligible for health insurance coverage through a new job or through a spouse's job.

HOW LONG WILL A FORMER EMPLOYEE BE ELIGIBLE TO REMAIN IN COBRA COVERAGE?

Former employees, as well as their spouses and their dependents, may remain enrolled in the City's group health insurance coverage under COBRA for up to 18 months.

WHAT IS THE COST OF COBRA COVERAGE?

Under COBRA coverage, the former employee is required to pay 100% of the monthly premium plus a 2% administrative fee. The COBRA monthly rates for Fiscal Year 2011 are as follows:

Blue Care Elect Preferred:

Individual	\$1,032.40
Family	\$2,395.18

Blue Choice:

Individual	\$ 742.35
Family	\$1,915.25

Harvard Pilgrim POS:

Individual	\$ 681.09
Family	\$1,832.11

Harvard Pilgrim HMO:

Individual	\$ 638.70
Family	\$1,718.03

Neighborhood:

Individual	\$ 616.65
Family	\$1,634.13

BMC Advantage:

Individual	\$ 638.70
Family	\$1,718.02

HOW DOES A FORMER EMPLOYEE PAY THE MONTHLY COBRA PREMIUMS?

After a former employee elects COBRA coverage, the Health Benefits and Insurance office will mail a payment booklet to the home address of the former employee. The payment booklet contains monthly payment invoices that the former employee will mail along with a check for the monthly premium due to the Health Benefits Office.

HOW DOES A FORMER EMPLOYEE ELECT COBRA COVERAGE?

The former employee does **not** contact the Health Benefits and Insurance office. Instead, the HBI office generates a weekly terminated employee report from the BAIS HRMS system and sends a COBRA information letter to the former employee's home address. The former employee has sixty days from the termination date of his/her active insurance coverage to respond to the Health Benefits office and elect COBRA coverage. These dates are clearly stated in the COBRA informative letter along with specific steps that the former employee must follow to elect COBRA coverage.

WHAT IF THE FORMER EMPLOYEE DID NOT HAVE HEALTH INSURANCE WHILE WORKING, CAN HE/SHE ENROLL IN A HEALTH PLAN UNDER COBRA?

No. COBRA coverage is a **continuation** of an employee's group insurance coverage from when he/she was actively working. It is not an opportunity to enroll in insurance coverage that an employee did not already have.

IS COBRA COVERAGE AVAILABLE FOR DENTAL COVERAGE?

Yes, former employees who were enrolled in the Massachusetts Public Employees (MPE) Fund for dental and vision coverage will receive their COBRA coverage information by mail directly from the MPE Fund.

Former employees who were enrolled in the Blue Cross Blue Shield Dental Blue plan will receive COBRA coverage information by mail from the Health Benefits office.

IS COBRA COVERAGE AVAILABLE FOR A FORMER EMPLOYEE'S LIFE INSURANCE COVERAGE?

No, the federal COBRA law does not apply to group life insurance coverage and, therefore, a former employee's life insurance coverage will end on the same day of the active health insurance coverage.

WHAT IF A FORMER EMPLOYEE HAS QUESTIONS REGARDING COBRA COVERAGE THAT ARE NOT ANSWERED IN THIS Q&A?

Any other questions regarding COBRA continuation coverage should be directed to the Health Benefits and Insurance office, Room 807, City Hall, 617-635-4570.