

**OTHER ELIGIBILITY REQUIREMENTS****CONSOLIDATED OMNIBUS BUDGET RECONCILIATION ACT (COBRA)**

**Policy:** COBRA allows certain persons who lose their health insurance coverage, provided through an employer, to continue coverage by paying the entire premium himself or herself. The premium is paid at the group rate paid by the employer. Generally, COBRA continuation election must be made within 60 days of the date coverage ends or the date of notice of the coverage option from the plan administrator, whichever is later. The plan must allow no less than 45 days from the date of the initial election to pay for the premium for the period beginning the day coverage would otherwise have ended. Coverage can continue for 18 to 36 months depending on the circumstances.

**References:**

SSL	104 367-a (1) (d)
Dept Reg	360-3.2 360-4.6(a) 360-4.7(b) 360-7.5(h)
ADMs	91 ADM-53 91 ADM-27 87 ADM-40
GISs	09 MA/024 97MA/001

**Intrepretation:** To be a COBRA Continuation Beneficiary (CCB), the individual must meet the following conditions:

1. Be an employee, spouse, or dependent child (ren) of the employee, or a retiree and/or his/her dependents or surviving spouse.
2. Have lost group health insurance coverage because of one of the following:
  - Death of the covered employee
  - Termination of covered employee's employment (except due to gross misconduct) or reduction in hours
  - Divorce or legal separation of covered employee from the employee's spouse

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- Covered employee's entitlement to Medicare
- Dependent child loses dependent status under the requirements of the group health plan
- For a covered retiree, the filing of Chapter 11 bankruptcy by the employer under certain circumstances.

A CCB may be eligible for Medicaid to pay the COBRA premium when they meet the following criteria:

- Coverage is available through an employer with 75 or more employees
- The insurance is cost effective
- The A/R's income, using SSI budgeting (See **INCOME SSI-RELATED DISREGARDS**) does not exceed 100% of the Federal Poverty Level
- The A/R's resources, using SSI budgeting (See **RESOURCES SSI-RELATED DISREGARDS**) do not exceed twice the SSI resource level
- The A/R meets all other non-financial requirements for Medicaid eligibility.

When a member of the household, other than the former employee, is eligible for the COBRA Continuation Program Coverage, Medicaid may pay for family coverage. For example: A mother and her 3 children apply for coverage. The mother is receiving Unemployment benefits and her oldest child is receiving child support. The income of the mother and the second child is below 100% of the FPL. The oldest child has income above 100% of the FPL and is not eligible for Medicaid payment of COBRA COVERAGE. However, because the youngest child is eligible for COBRA Continuation Program coverage, Medicaid will pay the premium for family coverage. If it is determined cost effective, the mother and both children will receive health insurance coverage.

Medicaid pays the health insurance premium only. The recipient incurs any co-payments.

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Medicaid payments for premiums may be made to the insurance company, employer, or recipient. Payments are only made to the recipient to reimburse for self-payment or when the employer/insurance company refuses to accept Medicaid payments.

The decision to continue coverage is to be made within 60 days after coverage ends or date of notice of coverage option from plan administrator. Premium payment is to be made within 45 days after election is made to continue coverage. If payment is not made in a timely manner, coverage will end.

**Verification:**

The following information is verified:

- Group health insurance plan coverage, including COBRA coverage effective date, exclusions to enrollment, services covered and premium amounts;
- That the A/R is CCB eligible;
- The dates of the 60 day enrollment period; and
- All other appropriate eligibility criteria are met.