



*****IMPORTANT NOTICE*****

Dear Policymaker:

This notice applies to group health plan products issued by Capital BlueCross, Capital Advantage Insurance Company[®], Capital Advantage Assurance Company[®] and Keystone Health Plan[®] Central.

If you are a group with 2–19 employees, this notice contains important information about your group health plan and the Pennsylvania law concerning continuation coverage. Please read this information very carefully.

Pennsylvania Act 2 of 2009 requires small groups to provide continuation coverage to a member of the group who loses *medical* coverage because of certain qualifying events. Because the legislation applies to small groups which are exempt from the federal continuation coverage requirements known as COBRA, the state requirement is referred to as “mini-COBRA.”

The law applies to groups with 2–19 employees who offer medical coverage to their employees and/or to spouses and dependent children. Mini-COBRA does not apply to groups who are subject to federal COBRA (generally groups with 20 or more employees) or to government plans.

Who is eligible for mini-COBRA?

An employee and/or eligible dependent who:

- Was continuously covered under the group policy for three months prior to termination.
- Lost coverage due to a “qualifying event” on or after July 10, 2009.
- Is not covered or eligible for Medicare.
- Is not eligible for employee-based coverage as an eligible dependent.
- Is not covered or eligible for other group coverage (excluding Medical Assistance, Children’s Health Insurance Program [CHIP]).

If an employee or eligible dependent is no longer eligible for coverage, he/she must notify their employer or COBRA administrator within 14 days of the triggering event.

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Harrisburg, PA 17177 | capbluecross.com

What benefits are available under mini-COBRA?

An employee and/or eligible dependent can purchase the same *medical* coverage he/she had immediately prior to the qualifying event. Stand-alone dental and vision coverage are not available under mini-COBRA.

What is a “qualifying event”?

To be covered for mini-COBRA, the eligible employee or dependent must have suffered one of the following qualifying events which resulted in the loss of health care coverage:

- Termination of employment for reasons other than gross misconduct.
- Reduction of hours that result in loss of coverage.
- Covered employee becomes eligible for Medicare (dependent requires group coverage).
- Divorce or legal separation.
- Child ages out of coverage.
- Termination due to employer’s bankruptcy proceedings.
- Death of the covered employee.

How will employees be notified?

Within 30 days of a qualifying event, the employer or the employer’s mini-COBRA administrator must notify the employee of his/her right to elect mini-COBRA coverage.

What does the employee or eligible dependent need to do to elect coverage?

Within 30 days of the mini-COBRA notice, the eligible employee or dependent must:

- Complete the appropriate coverage election form(s) and provide the form(s) to his/her former employer. *(NOTE: If an eligible employee makes an election to continue coverage, that election will operate as an election by any other eligible dependent who would lose coverage, unless otherwise noted on the enrollment form.)*
- Pay the premium by its due date and continue to pay on a monthly basis until the policy expires. *(NOTE: Depending on the period of time that elapses between the “qualifying event” and the election, the eligible employee may be required to pay more than one month’s premium.)*

How much will mini-COBRA cost?

The premium for mini-COBRA cannot exceed 105 percent of the group rate. Employers may decide not to contribute any portion of the mini-COBRA premium. *(NOTE: Employers are not required to contribute to the deductible of a health savings account or medical spending account.)* Payment for coverage must be received in full prior to enrollment.

When will mini-COBRA coverage start?

Coverage will start as of the date of the “qualifying event.”

When will mini-COBRA coverage end?

Coverage will end upon occurrence of any of the following:

- The eligible employee or dependent no longer meets the eligibility requirements under the law. See “Who’s eligible for mini-COBRA.” *(NOTE: If an eligible employee or dependent is no longer eligible for coverage, he/she must notify the employer within 14 days of the triggering event.)*
- If the employee or eligible dependent becomes entitled to Medicare.
- If the employee or eligible dependent becomes eligible or is covered under another group plan.
- Nine months after the qualifying event.
- If the required premium payment is not made on time.
- If the group policy is terminated.

Will mini-COBRA require underwriting?

No, mini-COBRA coverage will not be reviewed for evidence of insurability.

Is the employee eligible for conversion coverage after the mini-COBRA ends?

Yes, conversion coverage is available to the covered employee and/or dependent at the conclusion of the mini-COBRA coverage.

How will employees be notified?

Under the Pennsylvania mini-COBRA statute and the amendment to this law, employers are responsible for providing their employees with notice of their rights under mini-COBRA.

To learn more about mini-COBRA, visit the Pennsylvania Insurance Department’s website at ins.state.pa.us/.