



# Illinois Department of Insurance

## Fact Sheet

### Continuation Rights

Updated - May 2018

Note: This information was developed to provide consumers with general information and guidance about insurance coverages and laws. It is not intended to provide a formal, definitive description or interpretation of Department policy. For specific Department policy on any issue, regulated entities (insurance industry) and interested parties should contact the Department.

With the high costs of medical care, maintaining health coverage is considered important to everyone. Illinois law does not require employers to provide health benefits for their employees or their families. However, if you are covered by an employer's health benefits, the loss of coverage can be devastating.

State and federal laws give certain employees, spouses and dependent children the right to continue employer-sponsored health benefits at group rates if they lose their benefits because of specific "qualifying events." The type of policy, your employer and qualifying event will determine who is qualified for continuing coverage and for how long.

This fact sheet provides specific information on the federal continuation requirements under COBRA, the Illinois Dependent Child Continuation Law, the Illinois Continuation Law, and the Illinois Spousal Continuation Law.

Under all four laws:

- The employer or plan administrator must notify you of your right to continue your health benefits when certain qualifying events have occurred. If both the state and federal laws apply to your situation, the employer or plan administrator must offer you both options. You must choose one or the other option. **NOTE:** In some cases, the spouse, former spouse, dependent child or guardian must notify the employer and/or insurer that a qualifying event has occurred, such as divorce from or death of the covered employee or attainment of the limiting age by the dependent child. If you don't give proper notification, your continuation rights may be lost.
- Once you are offered continuation, you must elect to continue coverage within a certain time period, called the election period. If you don't inform the employer you want to continue coverage before the election period expires, you may lose that right. If you have the option of either the state or federal continuations, once you make your choice, you can't change your decision if the election period has expired.
- Coverage will continue for the maximum amount of time required by law. However, coverage can end earlier in some cases, such as when the beneficiary becomes eligible for Medicare, if the employer no longer offers any group health insurance benefits for employees or if you secure insurance through other means.
- You must pay the entire premium for the coverage, including the part you used to pay as well as the part the employer paid before the qualifying event. In addition, you may also be required to pay an administrative fee under certain circumstances for COBRA and Spousal Continuation.

Your group insurance certificate, evidence of coverage or benefit plan summary booklet explains your options and responsibilities in detail. You should read the information now. Don't wait until you need your continuation rights.

## What Is COBRA?

COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985) is a federal law, enforced by the U.S. Department of Labor, Employee Benefits Security Administration, which provides continuation of group health coverage that otherwise might be terminated. The law, found [here](#), contains provisions giving certain former employees, retirees, spouses and dependent children the right to temporary continuation of health coverage at group rates.

## Which Plans Are Subject To COBRA?

COBRA applies to group health plans maintained by employers who had 20 or more employees on more than 50% of the business days in the prior calendar year, and plans sponsored by state and local governments. The following types of group health plans are subject to COBRA:

- Insured and self-insured employer group health plans;
- HMOs;
- Employee assistance plans that provide benefits beyond referral services such as counseling sessions;
- Dental plans;
- Vision plans;
- Retiree health plans;
- Health flexible spending accounts;
- Employer discount programs maintained by health care clinics where the program is utilized exclusively by employees with health or medical needs;
- Employer reimbursed health insurance policies purchased to bridge coverage under the employer's group health plan (certain restrictions apply).

## COBRA does not apply to:

- Small employer plans (under 20 employees);
- Certain church and church-related plans;
- Plans sponsored by the federal government (e.g. federal employee or military personnel plans);
- Disability income plans;
- Life insurance and accidental death and dismemberment plans;
- Long term care coverage;
- Amounts contributed by an employer to a Medical Savings Account.

## Who Is Eligible for COBRA Continuation Coverage?

A **qualified beneficiary** under COBRA may include an employee, employee's spouse or former spouse, and/or the employee's dependent child who is covered under the group health plan on the day before the **qualifying event**. A child born to or placed for adoption with a covered employee during a period of COBRA coverage is also a qualified beneficiary if COBRA has been elected and the child has been enrolled upon birth or adoption. In certain cases, involving the bankruptcy of the employer sponsoring the plan, a retired employee, the retired employee's spouse (or former spouse), and the retired employee's dependent children may be qualified beneficiaries. Agents, independent contractors, and directors who participate in the group health plan may also be qualified beneficiaries. Note that an event is a qualifying event only if it causes the qualified beneficiary to lose coverage under the plan.

### **Qualifying Events for Employees are:**

- Termination of employment, for any reason other than for gross misconduct;
- Reduction in hours;
- Notifying the employer that the employee will not return to work from a Family and Medical Leave Act leave of absence.

### **Qualifying Events for Spouses are:**

- Termination of the covered employee's employment, for any reason other than for gross misconduct;
- Reduction in the hours worked by the covered employee;
- Death of the covered employee;
- Divorce or legal separation from the covered employee;
- Covered employee becoming entitled to Medicare resulting in loss of spouse's coverage.

### **Qualifying Events for Dependent Children are:**

- The same as for the spouse, plus
- Loss of dependent child status due to reaching the maximum age for coverage, marriage, or completion of schooling.

**NOTE:** If you are covered by another group health plan or Medicare at the time of the qualifying event, COBRA must still be offered. Coverage under Medicare or other group health plans does not preclude you from electing COBRA coverage in addition to the other coverage.

### **What Are the Notification Deadlines?**

- An **employer** must notify the plan administrator within **30** days after an employee's death, termination, reduction in hours of employment, entitlement to Medicare or bankruptcy of the employer.
- **You** must notify the plan administrator within **60** days after events such as divorce or legal separation or a child's ceasing to be covered as a dependent under the policy.
- The **plan administrator** must notify you and all other qualified beneficiaries of the right to COBRA coverage within **14** days after receiving information that a qualifying event has occurred.
- Each qualified beneficiary may independently elect COBRA continuation coverage. **You** must notify the plan administrator of election of COBRA coverage **within 60 days** after the qualifying event or after the date the notice to elect COBRA coverage is sent, whichever is later.

### **How Much Will COBRA Continuation Coverage Cost?**

You must pay the entire premium for the coverage, including the part that was formerly paid by the employer. There may be a 2% administration fee added to the premium. If coverage is extended for an additional 11 months due to a disabling condition, the premium may be up to 150% of the applicable non-COBRA premium for months 19 through 29.

### **What Benefits Are Available Under COBRA?**

The benefits provided under COBRA coverage must be the same as under the group plan. However, if you were covered by a region-specific plan, such as an HMO, and move from the service area, the HMO coverage may no longer be available. If your employer offers other coverage options that can be extended to the new area, those options must be made available to you.

## How Long Does COBRA Continuation Coverage Last?

COBRA establishes a maximum period of coverage for continuation of health benefits. A health plan may provide longer periods of coverage beyond those required by COBRA. Under COBRA, an individual may be entitled to up to 18 months, 29 months, or 36 months of continuation coverage depending upon which qualifying event(s) triggered the COBRA coverage. The following table illustrates the maximum coverage periods for each qualifying event. Remember that an event is a qualifying event only if it causes the qualified beneficiary to lose coverage under the plan.

<b>Qualifying Event</b>	<b>Who May Elect COBRA</b>	<b>Maximum Coverage Period</b>
Termination of Employment or reduction of hours	Employee and/or covered dependents	18 months
Disability of employee or covered family member at time of COBRA election or within 60 days after election	Employee and/or covered dependents	29 months (18 months plus extension of 11 months)
Divorce or legal separation	Spouse and/or dependent children	36 months
Death of employee	Spouse and/or dependent children	36 months
Entitlement to Medicare by covered employee before a qualifying event	Spouse and/or dependent children	36 months after date of entitlement to Medicare OR 18 months (29 months if there is a disability extension) after the covered employee's employment terminates or his hours are reduced.
Loss of dependent child status	Dependent child	36 months

(Note: While on COBRA, you may experience a subsequent qualifying event that may entitle you to an extension of your COBRA coverage. If you believe this has occurred, please contact the employer for more information.)

### COBRA coverage can be terminated when:

- You reach the last day of maximum coverage;
- You fail to make timely premium payments;
- The employer ceases to maintain a group health plan;
- You obtain coverage with another employer group health plan and have satisfied any waiting periods for preexisting conditions under the new plan;
- You become entitled to Medicare after COBRA was elected;
- You engage in conduct that would justify the plan terminating coverage of a similarly situated participant or beneficiary not receiving continuations coverage (such as fraud).

**NOTE:** If you are **already covered** by Medicare or another group health plan, you can elect COBRA coverage in addition to the other coverage. However, if you obtain Medicare or other group health coverage **after** the election of COBRA, the COBRA coverage will be terminated.

## **COBRA and Medicare Part B**

Be aware, there may be consequences if you waive Medicare Part B when you are first eligible for Medicare believing you can enroll in Medicare Part B when your COBRA coverage ends. If you waive Medicare Part B when you are first eligible for Medicare, you may not enroll in Medicare Part B until an open enrollment period (each January through March) and coverage will not be effective until the following July 1<sup>st</sup> and you will be charged a 10% surcharge for each year of delayed enrollment for as long as you have Medicare Part B. If your COBRA coverage expires in March, for example, you will not be able to enroll in Medicare Part B until the following January and coverage will not be effective until July 1 of the next year. Please contact the Illinois Senior Health Insurance Program at (800) 548-9034 prior to making any decisions regarding your Medicare Coverage.

### **What Happens When COBRA Coverage Ends?**

You or your dependents **may** be eligible to convert coverage to an individual policy at any time during the continuation period or at the end of the period, except when the continuing person becomes eligible for Medicare. Check your policy to find out if a conversion policy is offered. You may also buy a policy on the Health Insurance Marketplace during Open Enrollment even if your COBRA coverage has not expired. You will be required to cancel your COBRA coverage at that time.

You may also want to shop around for an individual policy on your own. You may be able to find better coverage at a more affordable rate. An insurance broker in your area can assist you.

### **Alternatives to COBRA**

There may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as your spouse's plan). Loss of coverage due to employment termination or reductions in hours may trigger a Special Enrollment Period (SEP) under the federal Health Insurance Portability and Accountability Act (HIPAA) and the federal Affordable Care Act (ACA).

Under HIPAA, you may be able to add yourself and dependents to your spouse's employer sponsored group health plan. Check with your spouse's employer to determine if coverage is available to you. The HIPAA special enrollment period grants thirty days for you to enroll in your spouse's coverage if you are eligible. There may be a lapse between the two coverages.

Under the ACA, you can shop for a health plan on the Health Insurance Marketplace when you lose a qualifying health plan. It is important to understand the COBRA coverage is retroactive back to the date you lose coverage whereas Marketplace coverage and HIPAA coverage is prospective. Federal rules provide a 60-day advance period for individuals who know they will be losing employer coverage to apply for coverage on the Marketplace to avoid a lapse. This is especially important if you or a family member is receiving medical treatment. If you do not have advance notice of your loss of coverage, signing up for a Marketplace plan may create a brief lapse in coverage due to the fact Marketplace policies may not begin for several weeks.

If you choose COBRA over a Marketplace insurance plan at the time of the life change, you will not be able to purchase coverage through the Marketplace until (1) the next Marketplace Open Enrollment Period, (2) you have a qualifying event that qualifies you for another SEP, or (3) the COBRA coverage expires. Non-payment of your COBRA insurance is not a qualifying event for an SEP on the Marketplace. For more information regarding Marketplace insurance please go to [www.healthcare.gov](http://www.healthcare.gov).

## **What Is the Illinois Dependent Child Continuation Coverage Law?**

The Illinois Dependent Child Continuation Law, effective July 1, 2004, protects dependent children who lose their group health insurance coverage with an employer group of **any size** due to:

- Attainment of the limiting age under the policy; or
- The death of the insured parent (and coverage is not available under the Spousal Continuation Law.)  
A copy of the law is available, [215 ILCS 5/367.2-5](#)

## **Which Plans are Subject to the Dependent Child Continuation Coverage Law?**

- Employers offering fully insured Illinois group and accident health plans, regardless of the group's size;
- Employers offering fully insured Illinois HMO coverage, regardless of the group's size.

## **The Illinois Dependent Child Continuation law does not apply to:**

- Self-insured employers;
- Self-insured health and welfare benefit plans, such as union plans;
- Insurance policies or trusts written in other states.

**Note:** For HMOs, the law applies to contracts written outside of Illinois if the HMO member is a resident of Illinois and the HMO has established a provider network in Illinois. To determine if your HMO coverage provides Illinois continuation, contact the HMO or check your certificate of coverage.

## **Who Is Eligible For Illinois Dependent Child Continuation Coverage?**

Continuation of coverage must be offered to eligible dependents covered under group coverage on the day before the qualifying event.

## **Illinois dependent child continuation does not apply if:**

- The child is eligible for coverage under the Illinois Spousal Continuation Law.

## **What Are the Notification Deadlines?**

The **dependent child or responsible adult** acting on behalf of the dependent child must notify the employer or the insurer in writing of the qualifying event within **30** days of the event.

## **How Much Will Illinois Dependent Child Continuation Coverage Cost?**

The premium for Illinois dependent child continuation coverage shall be the sum of the amount that would be charged to an employee (if the dependent child were an employee) plus any contributions the employer would have made on behalf of the employee.

## **What Benefits Are Available Under Illinois Dependent Child Continuation Coverage?**

Benefits for hospital, surgical or major medical are the same as they were under the previous group coverage.

## **How Long Does Illinois Dependent Child Continuation Coverage Last?**

Continuation coverage must be provided for a maximum of two years after the date the insurance stops because of attainment of the limiting age or death of insured parent.

### **Continuation coverage may terminate earlier than two years:**

- If premiums are not made in a timely manner;
- Coverage would terminate under the terms of the policy if the dependent child was still an eligible dependent of then employee, such as when the employee terminates employment with the employer;
- When the dependent child becomes an insured employee under any other group health plan.

## **What Happens When Illinois Dependent Child Continuation Coverage Ends?**

The dependent child may convert coverage to an individual policy at any time during the continuation period or at the end of the period. Coverage may be purchased on the Health Insurance Marketplace during annual open enrollment (usually November 15 through February 15) even if the continuation coverage has not yet expired; however, that coverage will have to be terminated at that time.

### **Alternatives to Dependent Child Continuation Coverage**

There may be other more affordable coverage options for the dependent child through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options. All options should be reviewed carefully.

It is important to understand that Dependent Child Continuation coverage is retroactive back to the date of loss of coverage whereas Marketplace coverage is prospective. Federal rules provide a 60-day advance period for individuals who know they will be losing employer coverage to apply for coverage on the Health Insurance Marketplace to avoid a lapse. This is especially important if the dependent child is receiving medical treatment. If there is no prior notice for the loss of coverage, signing up for a Marketplace plan may create a brief lapse in coverage due to the fact Marketplace policies may not begin for several weeks.

If the Dependent Child Continuation coverage is chosen over a Marketplace insurance plan, the dependent child may not buy coverage through the Marketplace until (1) the next Marketplace Open Enrollment Period; (2) a qualifying event occurs which makes the dependent child eligible for another SEP, or (3) the Dependent Child Continuation coverage expires. Non-payment of the Dependent Child Continuation insurance is not a qualifying event for an SEP on the Marketplace.

For more information regarding the Health Insurance Marketplace insurance please go to [www.healthcare.gov](http://www.healthcare.gov), [www.getcoveredillinois.gov](http://www.getcoveredillinois.gov) or (866) 311-1119.

### **What is the Illinois Continuation (mini-COBRA) Law?**

The Illinois Continuation Law protects individuals who lose their group health insurance coverage with an employer group of **any size** due to termination of employment or reduction in hours below the minimum required by the group plan. A copy of the law is available, 215 ILCS 5/367(e) for insurance companies and 215 ILCS 125/4-9.2 for HMOs.

## **Which Plans are Subject to the Illinois Continuation (mini-COBRA) Law?**

Employers offering fully insured group health plans, and HMO coverage, regardless of group size.

### **The Illinois law does not apply to:**

- Self-insured employers;
- Self-insured health and welfare benefit plans, such as union plans;
- Insurance policies or trusts written in other states.

**Note:** For HMOs, the law does apply to contracts written outside of Illinois if the HMO member is a resident of Illinois and the HMO has established a provider network in Illinois. To determine if your HMO coverage provides Illinois continuation, contact the HMO or check your certificate of coverage.

## **Who is Eligible for Illinois Continuation (mini-COBRA) Coverage?**

Illinois Continuation (mini-COBRA) must be offered to you and your eligible dependents who were continuously covered under the group policy for **three months** prior to termination of employment or reduction in hours below the minimum required by the group plan.

### **Illinois continuation (mini-COBRA) does not apply if:**

- You were terminated for committing a work-related felony and have admitted to or been convicted of such felony;
- You were terminated for a work-related theft for which your employer was in no way responsible and you have admitted to or been convicted of such theft;
- You are covered by Medicare;
- You are covered by any other insured or self-insured plan of group hospital, surgical or medical coverage.

## **What are the Notification Deadlines?**

Your **employer** must notify you in writing of your right to Illinois continuation (mini-COBRA) coverage within **10** days after termination of your employment or reduction in hours. You must be given notification in person or by mail.

**You** must request continuation in writing within the **30**-day period following the later of: 1) the date of employment termination or reduction in hours; or 2) the date written notice of your right to continuation is presented or mailed to you.

**IN NO EVENT** may you elect Illinois continuation (mini-COBRA) more than **60** days after the date of employment termination or reduction in hours below the minimum required by the group plan.

## **How Much Will Illinois Continuation (mini-COBRA) Coverage Cost?**

The premium for Illinois continuation (mini-COBRA) coverage for you, your spouse and dependent children may not exceed that of the group rate. You are responsible for paying the **entire premium** for the coverage, including the portion which was formerly paid by your employer. The premium is paid directly to the employer who in turn pays the health carrier. The employer will advise the due date of premium each month; generally, the first premium must be made at time of election.

## **What Benefits are Available with Illinois Continuation (mini-COBRA) Coverage?**

Benefits contained within your group hospital, surgical, major medical, PPO or HMO plan are the same as they were under your previous group coverage. However, separate plans for dental, vision care, prescription drug benefits, disability income, specified disease benefits and supplementary benefits are not required to be provided and may no longer be available under the continuation coverage.

## **How Long Does Illinois Continuation (mini-COBRA) Coverage Last?**

In general, the maximum period of coverage under Illinois Continuation (mini-COBRA) is **twelve (12)** months after the date the insurance stopped because your employment was terminated or your hours were reduced below the minimum required by the group plan.

Illinois Continuation (mini-COBRA) coverage may terminate earlier than the maximum period if:

- You become eligible for Medicare;
- You are covered by any other insured or self-insured group medical, hospital or surgical plan;
- You fail to make timely premium payments for coverage;
- Your employer's group policy is terminated in its entirety and not replaced with another group policy.

## **What Happens When My Illinois Continuation (mini-COBRA) Ends?**

You or your dependents may convert coverage to an individual policy at any time during the continuation period or at the end of the period, except when the continuing person becomes eligible for Medicare. You may also wish to shop for coverage on the Health Insurance Marketplace during annual Open Enrollment (usually November 15 through February 15) even if your mini-COBRA has not expired. You will be required to cancel you mini-COBRA at that time.

You may also want to shop around for an individual policy on your own. You may be able to find better coverage at a more affordable rate. An insurance broker in your area can assist you in applying for individual coverage.

## **Alternatives to Illinois mini-COBRA**

There may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as your spouse's plan). Loss of coverage due to employment termination or reductions in hours triggers a Special Enrollment Period (SEP) under the federal Health Insurance Portability and Accountability Act (HIPAA) and the federal Affordable Care Act (ACA).

Under HIPAA, you may be able to add you and your dependents to your spouse's employer sponsored group health plan. Check with your spouse's employer to determine if coverage is available to you. The HIPAA special enrollment period grants thirty days for you to enroll in your spouse's coverage if you are eligible. There may be a lapse between the two coverages.

Under the ACA, you may shop the Marketplace for coverage. It is important to understand the mini-COBRA coverage is retroactive back to the date you lose coverage whereas Marketplace coverage and HIPAA coverage is prospective. Recent federal rules provide a 60 day advance period for individuals who know they will be losing employer coverage to apply for coverage on the Marketplace to avoid a lapse. This is especially important if you or a family member is receiving medical treatment. If you do not have advance notice of your loss of coverage

signing up for a Marketplace plan may create a brief lapse in coverage due to the fact Marketplace policies may not begin for several weeks.

If you choose mini-COBRA over a Marketplace insurance plan, you may not buy coverage through the Marketplace until (1) the next Marketplace Open Enrollment Period, (2) you have a qualifying event that qualifies you for another SEP, or (3) the mini-COBRA coverage expires. Non-payment of your mini-COBRA insurance is not a qualifying event for an SEP on the Marketplace.

For more information regarding the Marketplace insurance please go to [www.healthcare.gov](http://www.healthcare.gov) , [www.getcoveredillinois.gov](http://www.getcoveredillinois.gov) or (866) 311-1119.

### **What Is The Illinois Spousal Continuation Coverage Law?**

The Illinois Spousal Continuation Law protects a covered spouse and dependent children who lose group health insurance coverage due to death or retirement of the employee or divorce from the employee. A copy of the law is available [215 ILCS 5/367.2](#).

### **Which Plans are Subject to the Illinois Spousal Continuation Coverage Law?**

Employers offering fully insured group health plans, and HMO coverage, regardless of group size

#### **The Illinois spousal continuation law does not apply to:**

- Self-insured employers;
- Self-insured health and welfare benefit plans, such as union plans;
- Insurance policies or trusts written in other states.

**Note:** For HMOs, the law applies to contracts written outside of Illinois if the HMO member is a resident of Illinois and the HMO has established a provider network in Illinois. To determine if your HMO coverage provides Illinois continuation, contact the HMO or check your certificate of coverage.

### **Who Is Eligible for Illinois Spousal Continuation Coverage?**

Spousal continuation may be triggered when one of the following **qualifying events** occurs: divorce from the employee, death of the employee or retirement of the employee as follows:

- The divorced or widowed spouse (any age) and dependent children of the employee who were covered under the group plan on the day before the qualifying event;
- The spouse and dependent children of a retired employee, **if the spouse is age 55 or older**, who were covered under the group plan on the day before the qualifying event.

### **What Are the Notification Deadlines?**

The **eligible spouse** must notify the employer and insurance company in writing of the dissolution of marriage or the death or retirement of the employee within **30** days of the qualifying event.

The **employer** must notify the insurance company within **15** days after receiving your request for spousal continuation. The **insurance company** must notify you of the right to continuation by certified mail, return receipt requested, within **30** days after receipt of the notice from the employer.

The **eligible spouse** must return the notice of continuation election form by certified mail, return receipt requested, within **30** days after the date of mailing receipt from the insurance company.

### **How Much Will Spousal Continuation Coverage Cost?**

If you are a former spouse **under age 55**, the premium for Illinois Spousal Continuation coverage is the amount that would be charged if you were an employee of the employer plus any contribution the employer would normally make on behalf of active employees. You are responsible for the entire premium.

If you are a spouse or former spouse **age 55 or older**, for the initial two years of Spousal Continuation coverage, the premium is the amount that would be charged if you were an employee of the employer plus any contribution the employer would normally make on behalf of active employees. You are responsible for the entire premium. After the initial two years of coverage, the premium may be adjusted to include a 20% administration fee.

### **What Benefits Are Available Under Spousal Continuation Coverage?**

Coverage must be the same as what was offered under the group plan.

### **How Long Does Spousal Continuation Coverage Last?**

Continuation resulting from an employee's death or divorce shall be offered for a maximum period of two years if you are under age 55 at time of the qualifying event. If you are age 55 or older at the time of qualifying event, the maximum period of coverage extends until you are eligible for Medicare.

Continuation resulting from an employee's retirement is only available to spouses who are age 55 or older at the time of the retirement. The maximum period of coverage extends until the spouse is eligible for Medicare.

Your spousal continuation **may terminate earlier** than the maximum period of coverage if:

- You fail to make timely premium payments;
- The group coverage would terminate even though you were still married to the employee (unless the employee retires during the election period);
- You become an insured employee under any other group health plan;
- You remarry.

### **What Happens When Spousal Continuation Coverage Ends?**

You or your dependent children can convert coverage to an individual policy at any time during the continuation period or at the end of the period, except when the continuing person becomes eligible for Medicare.

You may also want to shop around for an individual policy on your own. You may be able to find better coverage at a more affordable rate. An insurance broker in your area can assist you in applying for individual coverage.

### **Alternatives to Spousal Continuation Coverage**

There may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as your spouse's plan). Loss of coverage due to employment termination or reductions in hours triggers a Special Enrollment Period (SEP) under the federal Health Insurance Portability and Accountability Act (HIPAA) and the federal Affordable Care Act (ACA).

Under HIPAA, you may be able to add coverage with your own employer sponsored group health plan if you lose coverage under your spouse's plan. Check with your employer to determine if coverage is available to you. The HIPAA special enrollment period grants thirty days for you to enroll in your employer sponsored coverage if you are eligible. There may be a lapse between the two coverages.

Under the ACA, you may shop the Marketplace for coverage. It is important to understand the COBRA coverage is retroactive back to the date you lose coverage whereas Marketplace coverage and HIPAA coverage is prospective. Recent federal rules provide a 60-day advance period for individuals who know they will be losing employer coverage to apply for coverage on the Marketplace to avoid a lapse. This is especially important if you or a family member is receiving medical treatment. If you do not have advance notice of your loss of coverage signing up for a Marketplace plan may create a brief lapse in coverage due to the fact Marketplace policies may not begin for several weeks.

If you choose COBRA over a Marketplace insurance plan, you may not buy coverage through the Marketplace until (1) the next Marketplace Open Enrollment Period, (2) you have a qualifying event that qualifies you for another SEP, or (3) the COBRA coverage expires. Non-payment of your COBRA insurance is not a qualifying event for an SEP on the Marketplace.

For more information regarding COBRA and Marketplace insurance please go to [www.healthcare.gov](http://www.healthcare.gov) , [www.getcoveredillinois.gov](http://www.getcoveredillinois.gov) or (866) 311-1119.

### **Illinois Comprehensive Health Insurance Plan (ICHIP)**

The ICHIP is for federally eligible individuals covered under HIPAA. Coverage is for Illinois residents only who meet the following criteria:

- Have a total of 18 or more of months of creditable coverage and who have no more than a 90 day break between periods of creditable coverage.
- The most recent creditable coverage was provided under a group health plan, government or church plan.
- May not be eligible for group health coverage, Medicare or Medicaid and may not have any other health insurance coverage.
- The most recent coverage must not have been terminated due to non-payment of premium or fraud.
- All other federal COBRA requirements and state continuation options have been elected and exhausted.

For information regarding the ICHIP program please visit [www.chip.state.il.us](http://www.chip.state.il.us) or call (800) 962-8384.

#### **For More Information**

Call our Office of Consumer Health Insurance Toll free at (877) 527-9431 or

Visit us on our website at <http://insurance.illinois.gov/>

or

Contact the US Department of Labor at (866) 444-3272: <https://www.dol.gov/agencies/ebsa>