



**BRAIN INJURY
ASSOCIATION
OF NEW JERSEY**

825 Georges Road, Second Floor
North Brunswick, NJ 08902
732.745.0200

www.bianj.org

Helpline: 1-800-669-4323

No Brain Injury is
Too Mild to Ignore,
or Too Severe to
Lose Hope

What to Do Before COBRA Coverage Ends

By Justin Stanley

This article is intended to provide helpful advice for callers whose COBRA benefits are due to expire, leaving them without health coverage. It covers: how to apply for a disability-based extension of COBRA benefits; steps to take before COBRA ends; and how to get health care after COBRA ends. If you have any questions about the information reviewed in this article, please feel free to contact an Information and Resources Specialist at the Brain Injury Association of New Jersey by calling our toll-free Family Help Line: 1-800-669-4323.

Applying for a Disability-Based Cobra Extension

COBRA beneficiaries generally are eligible for group coverage during a maximum of 18 months for qualifying events due to voluntary or involuntary employment termination (for reasons other than gross misconduct) or reduction in the number of hours of employment.

Within the first 60 days of COBRA coverage, it is possible to extend the time that you can keep COBRA continuation benefits, by providing proof of disability from the Social Security Administration. Someone who qualifies may stay on their employer's COBRA Continuation until they become eligible for Medicare, which is normally 29 months after they leave work due to disability.

To qualify for a disability-based extension of COBRA, you must meet several requirements.

1. You must apply for Social Security Disability Insurance (SSDI) benefits.
2. Social Security must approve your benefits during your initial 18 month COBRA period.
3. The Onset Date of your disability must be within 60 days of the start of your COBRA coverage.
4. Finally, you must provide a copy of your Social Security Notice of Award letter to your COBRA plan administrator within 60 days of receiving it AND within the 18 month period of COBRA continuation coverage.

It is Social Security, not COBRA, which determines your disability status. However, this review will occur regardless of whether you've paid into Social Security or not. (Individuals who draw public pensions, such as school teachers and government employees, are considered financially ineligible.) If you are financially ineligible for Social Security, you need to tell them you are applying to extend COBRA when you first apply.



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The SSDI claim must be processed and approved during the original 18 months of COBRA, for the disability extension to be granted. This is the case even if your claim is approved after an initial denial. If it happens after the original 18 months of COBRA, you will not receive an extension.

If your disability claim is approved, Social Security will then determine the onset date of your disability. That is the date they believe you became disabled and the date from which they start counting the five-month waiting period of benefits. Even if the approval letter comes in the last few months of your COBRA Continuation, you can still qualify for the extension if the Onset Date given in your approval letter is within 60 days of the COBRA Qualifying Event. However, this is not the case if the approval letter arrives after the original 18 months of COBRA.

The Social Security Notice of Award letter must go to the same place that you pay your COBRA premiums to. **This may not be your employer; many companies contract with an outside firm to administer their COBRA benefits.** Check the address of your COBRA premiums. Ask for a receipt or otherwise confirm that the letter was received.

Applying for a disability-based extension of COBRA is a good way to stay insured since it allows you to stay on your employer's health insurance plan until you become eligible for Medicare. The drawback is that during the months after the first 18 months of COBRA, the employer can (and will) charge you the actual premium PLUS 50%. For example, if you were paying \$200 per month on COBRA, the extended months will cost \$300 per month.

When Cobra Coverage Ends: Conversion Coverage

Your COBRA coverage ends when:

- You reach the last day of your 18- or 36-month COBRA coverage period.
- You do not pay your premiums.
- The employer ceases to maintain any group health plan.
- The employer goes out of business.
- You obtain coverage through another employer group health plan that does not contain any limitation regarding pre-existing conditions. (Eligibility under a spouse's plan does not count.)
- You become eligible for Medicare benefits.

HIPAA (the *Health Insurance Portability and Accountability Act*) provides people losing their coverage after COBRA expires an opportunity to move to a broad benefit individual health insurance plan. HIPAA mandates that a qualified beneficiary must be given this option before COBRA ends.



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In order to qualify for individual coverage:

1. You must continue your COBRA Continuation until the end. You cannot switch to the individual plan before this time.
2. You must have been continuously covered under health insurance for at least 18 months. Since COBRA itself lasts 18 months or longer this is more or less automatic, provided you stay on COBRA until it ends.
3. You must sign up for the individual coverage within 63 days of the end of your COBRA insurance.

Once the COBRA Continuation coverage ends, the insurance company or administrator is required to send you what is called a “Certificate of Creditable Coverage”. This is a letter confirming the starting and stopping dates of your coverage with them. You have 63 days to present your Certificate to the insurance carrier and enroll in a plan, and the plan is required to let you purchase the coverage. **Important: the right to purchase insurance can be used only once and expires after 63 days.**

When Cobra Coverage Ends: The Insurance Market

It is possible that your COBRA coverage may end without your being eligible for Medicaid (if, for instance, your resources or a spouse’s income is deemed too high for Medicaid eligibility) or Medicare. However, under HIPAA, you are guaranteed coverage in the individual market even if you have a pre-existing condition. If you do have a pre-existing condition, premiums will probably be high, but you cannot be denied coverage. You should begin shopping for services in the private market before COBRA ends, so you can find a premium is affordable for you.

If you can’t afford, or don’t qualify for private insurance, you could be eligible for your state’s high-risk pool. The risk pool is a select individual health coverage plan set aside for people with pre-existing conditions.

A great resource for learning about the high-risk pool, and for general information about the individual health insurance market in New Jersey, is through the NJDOBI’s “Individual Health Coverage (IHC) Program” website. This website has an IHC’s Buyer Guide, allows you to learn the coverage information, and eligibility requirements, for various public and private IHC programs, and can connect you to other programs. The website URL is: www.state.nj.us/dobi/division_insurance/ihcseh/ihcmain.htm.

If you do not have Internet access, you can call the NJDOBI Consumer Hotline: 1-800-446-7467.



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Helpful Resources for Health Insurance

NJ Department of Banking and Insurance—Individual Health Coverage Program. 1-800-446-7467

http://www.state.nj.us/dobi/division_insurance/ihcseh/ihcmain.htm

eHealthInsurance provides general pricing information from carriers that provide individual policies in your area. 1-800-977-8860

<http://www.ehealthinsurance.com/>

Rx4NJ is a Web site designed to help low-income, uninsured New Jersey residents get access to patient assistance programs. 1-888-793-6795

<http://www.rx4nj.org/>

NJ FamilyCare is a federal and state funded health insurance program created to help New Jersey's uninsured children and certain low-income parents and guardians to have affordable health coverage. It is not a welfare program. NJ FamilyCare is for families who do not have available or affordable employer insurance, and cannot afford to pay the high cost of private health insurance. 1-800-701-0710 www.njfamilycare.org

Federally Qualified Health Centers are a way for people without health coverage to access quality medical care. Located in various parts of the state, Health Centers are staffed with medical providers to enable them to provide a full range of medical care. The Health Centers will charge patients for the care provided using a sliding fee scale based on the patient's income. Family Health Helpline: 1-800-328-3838

<http://web.doh.state.nj.us/apps2/fhs/cphc/cphcSearch.aspx>

New Jersey Hospital Care Payment Assistance Program (Charity Care) provides free or reduced-charge care for patients who receive inpatient and outpatient services at acute care hospitals throughout New Jersey.

<http://www.state.nj.us/health/charitycare/index.shtml>

NJ Department of Health and Senior Services: 1-866-588-5696

References

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<http://www.hcvadvocate.org/hepatitis/hepC/cobra-2.html>

Konrad, W. (2010). Health Law Preserves COBRA Plan. *New York Times*. Retrieved from <http://www.nytimes.com/2010/04/03/health/03patient.html>



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