

# January 29, 2024, HBR Alert



## **COBRA Notice Reminders**

The State Health Plan has seen an increase in inquiries regarding COBRA notices and wanted to provide HBRs with a few reminders.

## **Explanation of COBRA Notices**

A Notice of Initial COBRA rights explains the right to continue coverage, when it may become available to you and your family, and what you need to do to protect your right to get it. These notices may be sent to members with new hire or Open Enrollment health plan enrollments. State Health Plan members may have received, or may be receiving, this Initial Notice in the mail. It is informational only and no action needs to be taken. Sample notice:

January 17, 2024

 ) and covered spouse and/or dependents

### Notice of Initial COBRA Rights

You are receiving this notice because you are covered under a group health plan (the "Plan") sponsored by your employer. It is intended to inform you in a summary fashion, of your potential future options and obligations under the continuation coverage provisions of the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"). Under COBRA, your employer is required to offer covered employees and covered family members the opportunity for a temporary extension of health coverage, called *continuation coverage*, at group rates when coverage under the Plan would otherwise end due to certain "Qualifying events". It is important that all covered individuals read this notice carefully and be familiar with its contents. This notice does not fully describe continuation coverage or other rights under the Plan. More complete information is available from your employer and in the Plan's Summary of Benefits and Coverage, Summary Plan Description and Plan Document.

Your employer is not required to offer COBRA (and this notice does not apply to you) if all employers maintaining the Plan normally employed fewer than 20 full-time employees on a typical business day during the preceding calendar year. If you are not eligible for COBRA, you may be eligible for state continuation coverage. Contact the Plan for more information.

You may have other options available to you when you lose group health coverage. Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through what is called a "special enrollment period." Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at [www.healthcare.gov](http://www.healthcare.gov).

By comparison, the COBRA notice below is sent when a COBRA qualifying event occurs, such as a termination, and includes information for electing COBRA continuation coverage. This notice does require action within 60 days if the member wishes to elect COBRA coverage. Sample notice:

Employer: North Carolina State Health Plan  
Qualifying Event: Termination of Employment  
Date of Notice: September 7, 2021

Event Date: September 30, 2021  
Social Security: \*\*\*  
Election Rights Expiration Date: November 29, 2021

**RE: IMPORTANT NOTICE CONCERNING YOUR CONTINUATION OF HEALTHCARE COVERAGE**



Dear [REDACTED]:

This notice contains very important information concerning your rights to the continuation of the healthcare plans listed on the enclosed election form as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace at [www.HealthCare.gov](http://www.HealthCare.gov) or call 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA. Please read the information in this notice very carefully before you make your decision. If you choose to elect COBRA, you should use the election form provided later in this notice. Enclosed with this notice you will find a COBRA Information Package which contains a total of 4 double-sided pages. Below is a summary of the documents in this COBRA Information Package. The bold print indicates any document(s) which must be completed and returned to ITEDIUM in order to elect COBRA:

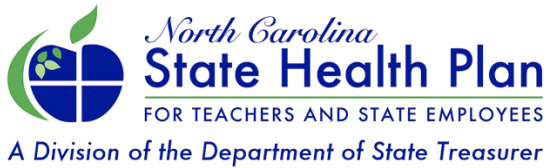
Content Summary of this COBRA Information Package		
Page(s)	Document Name	Document Information
1 - 2	COBRA Notice	Contains information on COBRA and other healthcare alternatives
3	<b>Election Form</b>	<b>Complete to elect COBRA (Read Directions Carefully)</b>
5 - 6	FAQs	FAQs on COBRA and payment of COBRA premiums

ITEDIUM, Inc. ("ITEDIUM") has been retained by your employer to notify you of the continuation rights to your group healthcare benefits. ITEDIUM is a third party administrator of COBRA compliance and administrative services. Our job is to inform you of your rights under COBRA. Any supplemental notices added to this mailing which are not described in the chart above are not the responsibility of ITEDIUM. You should contact the Plan for more information.

**Why am I getting this notice?**

You're getting this notice because your coverage under the Plan will end due to the qualifying event listed at the top of the page. Federal law

other coverage you may pay more out of pocket than you would under COBRA because the new coverage may impose a new deductible. When you lose job-based health coverage, it's important that you



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