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Notice of COBRA Coverage: It's Not Just for Departing Employees

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Generally speaking, when employees are making selections about health insurance it's because they have recently been hired, and the last thing on the employer's mind is when that employee will be leaving. But did you know that you must provide your employees with information about COBRA benefits at the time that employees ELECT health insurance coverage—not just when the employment relationship is ending? Employees and their spouses who elect health insurance should receive a "General COBRA Notice." The following is a list of key requirements:

- The COBRA "General Notice," often referred to as the "New Hire Notice," outlines the Qualifying Events under which a Qualified Beneficiary (employee, spouse or dependent) could lose coverage and the Qualified Beneficiary's obligations regarding the same;
- The General Notice must be provided to covered employees (and their spouses) within 90 days from the date that the employee or spouse becomes covered under the plan; and
- The General Notice must include:
 - Name of the plan and contact information
 - General description of the plan's COBRA provisions, including events that would disqualify the Qualified Beneficiaries from coverage
 - Explanation of the Qualified Beneficiaries' responsibility under COBRA for notifying the plan administrator of a qualifying event
 - Information regarding the importance to keep updated contact information for Qualified Beneficiaries on record with the plan administrator
 - Specific language that more information regarding your COBRA rights can be found in the Summary Plan Documents

If an employer does not provide this information to the Qualified Beneficiaries, and an event that disqualifies the Qualified Beneficiary from coverage occurs and they do not notify the employer and health insurance provider, the health insurance company may be in position to deny coverage. As a result, the employer may be required to pay the medical bills for the Qualified Beneficiary!

Attorney

- Tracy Armstrong