



## **Pennsylvania Mini-COBRA Law Now In Effect**

Insights

6.12.09

Pennsylvania has adopted a "mini-COBRA" law which covers group health insurance policies offered to employees of small employers. The new law protects employees who are not covered by the health coverage continuation rules imposed by COBRA at the federal level. Generally, insured group health plans offered by Pennsylvania employers with between two and 19 employees now must provide continuation of health insurance coverage under its group health insurance plans under circumstances similar to those set forth in the federal health coverage continuation rules frequently referred to as COBRA.

Small employers that are not subject to the federal COBRA law (generally, employers with less than 20 employees) must now offer continued group health insurance to employees and qualified dependents of employees who experience a "qualifying event." Similar to COBRA, a "qualifying event" includes the death of a covered employee, termination of a covered employee's employment (other than for the employee's gross misconduct), a spouse's divorce or legal separation from the covered employee, entitlement to certain benefits under the Social Security Act and loss of status as a dependent child.

The continuation coverage must include benefits that are provided under the group policy in effect at the time of the qualifying event (or any replacement coverage). Continuation coverage is required for a period of up to nine months from the date of the qualifying event at the employee's or the qualified dependent's expense. The premium contribution may not be more than 102% of the group rate of the insurance being continued on the due date of each payment.

Individuals who are not covered by the employer's group health insurance plan for at least three months prior to the qualifying event are not eligible. The continuation coverage is also not available to an employee who is eligible for coverage under Medicare or is eligible for coverage under, or actually covered by, another group health insurance plan.

The Pennsylvania mini-COBRA law also contains provisions designed to enable participants to take advantage of the premium-subsidy provisions of the American Recovery and Reinvestment Act of 2009 (ARRA).

There are also notification requirements applicable to employers, employees and dependents, plan administrators and insurers. Employers with less than 20 employees who sponsor a group health

insurance plan should contact their carrier, broker and legal counsel for further information about compliance.

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*This Legal Alert contains information about a specific new law. It is not intended to be, and should not be considered legal advice for any particular fact situation.*