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# COBRA: Keeping Health Insurance After Leaving Your Job

*Disclaimer: The American Cancer Society does not offer legal advice. This information is intended to provide general background in this area of the law.*

The COBRA law gives people in certain situations an option to keep workplace health insurance for a while longer if they can't get coverage in other ways. Workers need to be aware of health care laws that allow them to find or keep the health insurance they can best afford.

For detailed information about COBRA, call the **Employee Benefits Security Administration at 1-866-444-3272** or visit their website at [www.dol.gov/ebsa](http://www.dol.gov/ebsa)<sup>1</sup>. You can also find a detailed brochure called [An Employee's Guide to Health Benefits Under COBRA](#).<sup>2</sup>

Another good place to learn more details about COBRA is in your health insurance plan booklet or the person who manages your plan. Most of the specific rules on COBRA benefits can be found in one of these resources.

If you have questions about your state's requirements about COBRA and health insurance, you can find your state's insurance department by contacting the [National Association of Insurance Commissioners](#)<sup>3</sup>.

## What Is COBRA?

COBRA stands for the Consolidated Omnibus Budget Reconciliation Act. It gives employees in certain situations the right to pay premiums for and keep the group health insurance that they would otherwise lose after they:

- Reduce their work hours

- Quit their jobs
- Lose their jobs

Most people can keep the insurance for up to 18 months. Some people may be able to keep it longer.

## **How the Affordable Care Act (ACA) affects COBRA**

The Affordable Care Act (ACA sometimes called Obamacare) offers affordable health insurance for people, including those with cancer and other serious conditions. It makes sure that most insurance plans cover the health care that cancer patients and survivors might need.

The [state insurance marketplaces](#)<sup>4</sup> offer health insurance options to people who don't have access through their employers. It can also help those who leave their jobs and lose their employer's group insurance. And for some people, buying insurance through their state's marketplace may cost less than paying for COBRA coverage.

### **COBRA vs. individual insurance through your state's marketplace**

Even with ACA state marketplace options, for some people, COBRA can be a good plan. If you lose your group health insurance coverage because you lost or quit your job, it's best to compare your COBRA group plan benefits and costs to the individual health plans you can buy on your state's marketplace. Keep in mind that if you've lost your job, your lower income may qualify you for financial help buying a plan on the marketplace. You'll also have a special enrollment period for buying a marketplace plan.

Before you choose COBRA, be sure that you're OK with the plan and its cost, at least until your state's next open enrollment period. (Open enrollment is when you can make changes in your coverage without penalties.)

If you do not choose COBRA and never pay any of the premiums for it, the loss of group coverage triggers a special enrollment period on your state health insurance marketplace. This means you can enroll in a marketplace plan at that time, even if it's outside the normal open enrollment period in the marketplace. You'll have 60 days as a special enrollment period. The fastest ways to get a plan on the state marketplace are:

- Find your state's marketplace website, select enroll, and choose the state where you live
- The 24/7 marketplace helpline 1-800-318-2596

If you choose COBRA, it's important to be aware of the risks of stopping it before it runs out. You'll want to coordinate the start of new coverage so you don't face a gap in coverage while getting treatment or follow-up care.

## How long does the COBRA coverage last?

The length of time you can keep COBRA coverage depends on your qualifying event (see the next section). If your major medical coverage ends because your employment ends (other than for gross misconduct), or because your hours are reduced, you and your qualified dependents can keep coverage under the employer's health insurance for up to 18 months by paying for the full cost of the coverage.

Note that a few states require employers to offer COBRA coverage for a longer time than federal laws do. Again, your state insurance commissioner's office can tell you more about this.

## What is a qualifying event and a qualifying event notice under COBRA?

A **qualifying event** causes employees or their dependents to lose their group health coverage but lets them qualify for COBRA coverage. Before a group health plan must offer COBRA coverage, the group health plan administrator must be told about the qualifying event in a **qualifying event notice**. You can learn more about qualifying events on the US Department of Labor [COBRA website](#)<sup>5</sup>.

## What is an election notice from COBRA and what do I do when I get one?

Within 14 days of getting the qualifying event notice (above), the employer or health plan administrator must give the person who's about to lose health insurance written notice of their COBRA rights. This written notice is called the **election notice**. It should contain all of the information you'll need to understand COBRA coverage so that you can make an informed decision about whether to continue coverage. It should also give you the name of the person who handles COBRA for the health plan (the COBRA administrator) and tell you how to get more information.

The employee or qualified dependents have 60 days after they get the election notice to choose health insurance coverage for themselves under COBRA. The employee or dependent must notify the COBRA administrator listed on their COBRA election notice

in writing if they wish to keep their health insurance. The COBRA administrator is the person who keeps up with COBRA benefits for the employer.

## How long do I need to have a job to be covered under COBRA?

You are eligible for COBRA coverage if you were covered under the group health plan on the day before your qualifying event. This 1-day rule also applies to your spouse and dependents who were covered under the plan.

### Hyperlinks

1. [www.dol.gov/ebsa/](http://www.dol.gov/ebsa/)
2. [www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf](http://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf)
3. [content.naic.org/](http://content.naic.org/)
4. [www.healthcare.gov/](http://www.healthcare.gov/)
5. [www.dol.gov/general/topic/health-plans/cobra](http://www.dol.gov/general/topic/health-plans/cobra)
6. [www.dol.gov/agencies/ebsa](http://www.dol.gov/agencies/ebsa)
7. <http://www.healthcare.gov/>
8. <http://www.healthcare.gov/>
9. <http://www.cms.hhs.gov/>
10. <http://www.medicaid.gov/>
11. <http://www.naic.org/>
12. [http://www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm)
13. <http://www.patientservicesinc.org/>
14. [www.dol.gov/agencies/ebsa](http://www.dol.gov/agencies/ebsa)
15. <http://www.healthcare.gov/>
16. <http://www.healthcare.gov/>
17. <http://www.cms.hhs.gov/>
18. <http://www.medicaid.gov/>
19. <http://www.naic.org/>
20. [http://www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm)
21. <http://www.patientservicesinc.org/>

### Additional resources

**US Department of Labor, Employee Benefits, Security Administration (EBSA) Toll-**

free number: 1-866-444-3272 (1-866-444-EBSA)

Website: <https://www.dol.gov/agencies/ebsa> ([www.dol.gov/agencies/ebsa](http://www.dol.gov/agencies/ebsa))<sup>6</sup>

- Information on employee benefit laws, including COBRA, FMLA, and HIPAA requirements of employer-based health coverage and self-insured health plans. Also has information on recent changes in health care laws. Benefits Advisors are available to help people with benefits problems.

### **State Health Care Marketplaces – US Department of Health and Human Services**

Toll-free number: 1-800-318-2596 (also in Spanish) TTY: 1-855-889-4325

Website: [www.healthcare.gov](http://www.healthcare.gov) (<http://www.healthcare.gov/>)<sup>7</sup>

- Provides information on the new insurance law, takes you through the steps of finding insurance, and much more. If you don't have internet access, the phone number will connect you with your state's marketplace.

### **US Department of Health and Human Services – healthcare.gov** Toll-free number:

1-877-696-6775 Website: [www.healthcare.gov](http://www.healthcare.gov) (<http://www.healthcare.gov/>)<sup>8</sup>

- Can help you find insurance coverage options and learn about the kinds of help you might be able to get

### **Centers for Medicare & Medicaid Services (CMS) – HHS** Toll-free number: 1-800-

633-4227 TTY: 1-877-486-2048 Website: [www.cms.hhs.gov](http://www.cms.hhs.gov) (<http://www.cms.hhs.gov/>)<sup>9</sup>

- For more information on COBRA, as well as Medicare, Medicaid, and other government-funded programs. General information on Medicaid can be found at [www.medicaid.gov](http://www.medicaid.gov) (<http://www.medicaid.gov/>)<sup>10</sup>

### **National Association of Insurance Commissioners (NAIC)** Toll-free number: 1-866-

470-6242 (1-866-470-NAIC) Website: [www.naic.org](http://www.naic.org) (<http://www.naic.org/>)<sup>11</sup>

- Has information about insurance and insurance companies and how to file a consumer complaint with state insurance departments. For state insurance department phone numbers, visit: [www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm) ([http://www.naic.org/state\\_web\\_map.htm](http://www.naic.org/state_web_map.htm))<sup>12</sup>

**Patient Services Incorporated (PSI)** Toll-free number: 1-800-366-7741 (ask to be connected to the Oncology Intake Department) Website: [www.patientservicesinc.org/](http://www.patientservicesinc.org/) (<http://www.patientservicesinc.org/>)<sup>13</sup>

- Offers financial aid to people with certain types of cancer. Also helps them find and buy health insurance.

*\*Inclusion on this list does not imply endorsement by the American Cancer Society*

## References

US Department of Labor. *An employee's guide to health benefits under COBRA*. Accessed at <https://www.dol.gov/sites/dolgov/files/legacy-files/ebsa/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf> on May 13, 2019.

US Department of Labor. *Health plans & benefits: Continuation of health coverage – COBRA*. Accessed at <https://www.dol.gov/general/topic/health-plans/cobra> on May 13, 2019.

Last Revised: May 13, 2019

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