

Continuation of Benefits

Comparison of Maryland Continuation of Coverage and Federal COBRA* Provisions

Qualifying Events (QE)	Termination of Employment		Death of Covered Employee		Divorce		Cessation of Dependency for Child
Applicable Cites	IN §15-409 COMAR 31.11.04	COBRA*	IN §15-407 COMAR 31.11.03	COBRA*	IN §15-408 COMAR 31.11.02	COBRA*	COBRA*
Which health benefit plans are subject to the cited law?	Employer group contracts issued by insurers, HMOs, or nonprofit health service plans that provide hospital, medical, or surgical benefits on an expense incurred basis and that are issued or delivered in Maryland.	Employer plans that provide medical benefits for the employer's own employees and their dependents through insurance or another mechanism, such as a trust, HMO, self-funded pay as you go basis, reimbursement or combination of these mechanisms.	Employer group contracts issued by insurers, HMOs, or nonprofit health service plans that provide hospital, medical, or surgical benefits on an expense incurred basis and that are issued or delivered in Maryland.	Employer plans that provide medical benefits for the employer's own employees and their dependents through insurance or another mechanism, such as a trust, HMO, self-funded pay as you go basis, reimbursement or combination of these mechanisms.	Employer group contracts issued by insurers, HMOs, or nonprofit health service plans that provide hospital, medical, or surgical benefits on an expense incurred basis and that are issued or delivered in Maryland.	Employer plans that provide medical benefits for the employer's own employees and their dependents through insurance or another mechanism, such as a trust, HMO, self-funded pay as you go basis, reimbursement or combination of these mechanisms.	Employer plans that provide medical benefits for the employer's own employees and their dependents through insurance or another mechanism, such as a trust, HMO, self-funded pay as you go basis, reimbursement or combination of these mechanisms.
How many employees must an employer have for the law to apply to the health benefit plan provided by the employer?	No limit. Law applies to employer group contracts, regardless of size of employer.	20 or more employees	No limit. Law applies to employer group contracts, regardless of size of employer.	20 or more employees	No limit. Law applies to employer group contracts, regardless of size of employer.	20 or more employees	20 or more employees
Does the cited law apply to employer "self-funded" or "self-insured" plans?	No	Yes	No	Yes	No	Yes	Yes

*Consolidated Omnibus Budget Reconciliation Act of 1985

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Does the cited law apply to health benefit plans sponsored by the federal government	No	No	No	No	No	No	No
Qualification - coverage requirement prior to QE <ul style="list-style-type: none"> insured employee 	3 months with same employer (applies if employee is terminated for other than cause)	covered day before QE (applies if employee is terminated for other than gross misconduct or coverage is lost due to reduction in work hours)	3 months with same employer	covered day before QE	no minimum	covered day before QE	covered day before QE
<ul style="list-style-type: none"> spouse 	No minimum	covered day before QE; has independent right to elect continuation	30 days as spouse of insured employee	covered day before QE; has independent right to elect continuation	30 days as spouse of insured employee	covered day before QE; has independent right to elect continuation	covered day before QE; has independent right to elect continuation
<ul style="list-style-type: none"> dependent child 	covered immediately before QE	covered day before QE; has independent right to elect continuation	child of employee covered immediately before QE or born after QE	covered day before QE; has independent right to elect continuation	child of employee covered immediately before QE or born after QE	covered day before QE; has independent right to elect continuation	covered day before QE; has independent right to elect continuation
Qualified Secondary Beneficiary (QSB) Definition	not applicable	not applicable	includes spouse and dependent child	not applicable	includes ex-spouse and dependent child	not applicable	not applicable
Length of Continuation	18 months	18 months (29 months for	18 months	3 years	terminates only for causes listed below	3 years	3 years

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		SSA disabled-- must certify prior to expiration of 18 month extension)					
Employer responsibility - notification/furnishing forms	14 days after request for election is received	30 days notification	14 days after request for election is received	30 days notification	not applicable	30 days notification	30 days notification
Employee responsibility - time for notification/election	up to 45 days after QE; notice signed by insured employee	60 days from <u>later of</u> receipt of notification or date of QE	up to 45 days after QE; notice signed by QSB	60 days from <u>later of</u> receipt of notification or date of QE	up to 60 days after divorce; notice signed by insured employee	60 days from <u>later of</u> receipt of notification or date of QE	60 days from <u>later of</u> receipt of notification or date of QE
Payment of premiums - a) amount and mode of payment	102%; monthly	102% 150% for 11 month disability extension	102%, monthly	102%	100%	102%	102%
b) requirements for payment of first premium	covers date of QE to last day of month of election	due up to 45 days after election	covers date of QE to last day of month of election	due up to 45 days after election	due on the date notice is given	due up to 45 days after election	due up to 45 days after election
Permissible Reasons to Terminate Coverage							
a) non-payment of premium	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Permissible Reasons to Terminate Coverage (continued)							
b) becomes entitled to benefits under Medicare	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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c) becomes eligible for other group coverage	Yes	Permitted only if person is actually covered and no pre-existing condition applies under new group coverage	Yes	Permitted only if person is actually covered and no pre-existing condition applies under new group coverage	Yes	Permitted only if person is actually covered and no pre-existing condition applies under new group coverage	Permitted only if person is actually covered and no pre-existing condition applies under new group coverage
d) becomes covered under a similar non-group contract	Yes	No	Yes	No	Yes	No	No
e) covered person cancels coverage	Yes	Yes	Yes	Yes	Yes	Yes	Yes
f) employer no longer offers group coverage	Yes	Yes	Yes	Yes	Yes (may also terminate coverage of divorced spouse if employee is no longer covered under group plan)	Yes	Yes
g) dependent child no longer qualifies	Yes	No	Yes	No	Yes	No	No
h) QSB ex-spouse remarries	No	No	No	No	Yes	No	not applicable