



## UPDATE: Employee Benefits and Compensation

MAY 2010

### Connecticut Extends Health Care Continuation Coverage Period to 30 Months

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On May 5, 2010, Governor M. Jodi Rell signed into law legislation (Public Act No. 10-13) allowing individuals who lose health coverage under a group health insurance policy to elect continuation coverage for a period of up to 30 months. This extension of the continuation coverage period applies to fully insured small employer and large employer group health insurance policies issued in Connecticut. It does not apply to self-insured plans.

#### Background

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) and Connecticut's continuation coverage statute provide certain former employees, retirees, spouses, and children with the right to temporarily continue coverage under an employer's group health plan after their coverage would otherwise end as long as the covered person pays the required premiums. COBRA applies to employer groups with 20 or more employees. Connecticut's continuation coverage statute applies to all insured employer group health plans, regardless of size.

COBRA permits an eligible individual to elect COBRA coverage for up to a period of 18 months, with longer coverage periods for disabled individuals or individuals who have a second COBRA qualifying event. States are permitted to enact their own continuation coverage laws, provided that such laws are at least as generous as COBRA, with respect to employer groups with 20 or more employees. Many states, including Connecticut, have enacted continuation coverage laws, both to extend continuation coverage to employees of small employers not subject to COBRA and to provide more generous coverage to employees of larger employers. Prior to the enactment of the extension of continuation coverage, Connecticut's law regarding the duration of continuation coverage generally mirrored federal COBRA.

#### Extension of Continuation Coverage

Effective May 5, 2010, certain individuals and their dependents who lose coverage under a Connecticut fully insured employer group health insurance policy may elect to continue coverage for a period of up to 30 months. This change applies to all individuals who were covered through continuation coverage on May 5, 2010, and all individuals who become eligible for continuation coverage on or after May 5, 2010. Individuals whose continuation coverage ceased prior to May 5, 2010 are not eligible for the extension. Affected individuals must be notified of the extension by

July 4, 2010.

The extension applies to Connecticut group health policies issued to any type of employer, including private employers, public employers, nonprofit employers, and church plans. The law does not apply to self-insured employer health plans. The bill does not change the continuation coverage period of 36 months for spouses and dependents who are continuing coverage for any other reason (e.g., death of employee or divorce), as provided under federal COBRA.

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To receive more information on Connecticut's continuation coverage law and this extension, please contact one of the following attorneys:

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