



Illinois Insurance Facts

Illinois Department of Insurance

Health Insurance Continuation Rights (mini-COBRA)

The Illinois Law

Updated
July 2014

Note: This information was developed to provide consumers with general information and guidance about insurance coverages and laws. It is not intended to provide a formal, definitive description or interpretation of Department policy. For specific Department policy on any issue, regulated entities (insurance industry) and interested parties should contact the Department.

With the high costs of medical care, maintaining health coverage is considered important to everyone. Illinois law does not require employers to provide health benefits for their employees or their families. However, if you are covered by an employer's health benefits plan, the loss of coverage can be devastating.

State and federal laws give certain employees, spouses and dependent children the right to continue employer-sponsored health benefits at group rates if they lose their benefits because of specific "qualifying events." The type of policy, your employer and qualifying event will determine who is qualified for continuing coverage and for how long.

This fact sheet provides **specific information** on the **Illinois Continuation Law (also referred to as mini-COBRA in this Fact Sheet)** and compares its basic provisions to three other continuation laws: the [Illinois Spousal Continuation Law](#), the [Illinois Dependent Child Continuation Law](#) and the federal continuation requirements under [COBRA](#) (the Consolidated Omnibus Budget Reconciliation Act). The chart at the bottom of this fact sheet provides a comparison of the laws pertaining to continuation of health benefits.

Under all four laws:

- The employer or plan administrator must notify you of your right to continue your health benefits when certain **qualifying events** have occurred. If both the state and federal laws apply to your situation, the employer or plan administrator must offer you both options. You must choose one or the other option.

NOTE: In some cases, the spouse, former spouse, dependent child or guardian must notify the employer and/or insurer that a **qualifying event** has occurred, such as divorce from or death of the covered employee or attainment of the limiting age by the dependent child. If you don't give proper notification, your continuation rights may be lost.

- Once you are offered continuation, you must elect to continue coverage within a certain time period, called the **election period**. If you don't inform the employer you want to continue coverage before the election period expires, you may lose that right. If you have the option of either the state or federal continuations, once you make your choice, you can't change your decision if the **election period** has expired.
- Coverage will continue for the maximum amount of time required by law. However, coverage can end earlier in some cases, such as when the beneficiary becomes eligible for Medicare, if the employer no longer offers any group health insurance benefits for employees, or if you secure insurance through other means.
- You must pay the **entire premium** for the coverage, including the part you used to pay as well as the part the employer paid before the qualifying event. In addition, you may also be required to pay an administrative fee under certain circumstances for COBRA and Spousal Continuation.

Your group insurance certificate, evidence of coverage or benefit plan summary booklet explains your options and responsibilities in detail. You should read the information now. Don't wait until you need your continuation rights.

What is the Illinois Continuation (mini-COBRA) Law?

The Illinois Continuation Law protects individuals who lose their group health insurance coverage with an employer group of **any size** due to termination of employment or reduction in hours below the minimum required by the group plan. A copy of the law is available, [215 ILCS 5/367\(e\)](#) for insurance companies and [215 ILCS 125/4-9.2](#) for HMOs.

Which Plans are Subject to the Illinois Continuation (mini-COBRA) Law?

- Employers offering fully insured group and accident health plans, regardless of the group's size;
- Employers offering fully insured HMO coverage, regardless of the group's size.

The Illinois law does not apply to:

- Self-insured employers;
- Self-insured health and welfare benefit plans, such as union plans;
- Insurance policies or trusts written in other states.

Note: For HMOs, the law does apply to contracts written outside of Illinois if the HMO member is a resident of Illinois and the HMO has established a provider network in Illinois. To determine if your HMO coverage provides Illinois continuation, contact the HMO or check your certificate of coverage.

Who is Eligible for Illinois Continuation (mini-COBRA) Coverage?

Illinois Continuation (mini-COBRA) must be offered to you and your eligible dependents who were continuously covered under the group policy for **three months** prior to termination of employment or reduction in hours below the minimum required by the group plan.

Illinois continuation (mini-COBRA) does not apply if:

- You were terminated for committing a work-related felony and have admitted to or been convicted of such felony;
- You were terminated for a work-related theft for which your employer was in no way responsible and you have admitted to or been convicted of such theft;
- You are covered by Medicare;
- You are covered by any other insured or self-insured plan of group hospital, surgical or medical coverage.

What are the Notification Deadlines?

Your **employer** must notify you in writing of your right to Illinois continuation (mini-COBRA) coverage within **10** days after termination of your employment or reduction in hours. You must be given notification in person or by mail.

You must request continuation in writing within the **30**-day period following the later of: 1) the date of employment termination or reduction in hours; or 2) the date written notice of your right to continuation is presented or mailed to you.

IN NO EVENT may you elect Illinois continuation (mini-COBRA) more than **60** days after the date of employment termination or reduction in hours below the minimum required by the group plan.

How Much Will Illinois Continuation (mini-COBRA) Coverage Cost?

The premium for Illinois continuation (mini-COBRA) coverage for you, your spouse and dependent children may not exceed that of the group rate. You are responsible for paying the **entire premium** for the coverage, including the portion which was formerly paid by your employer. The premium is paid directly to the employer who in turn pays the health carrier. The employer will advise the due date of premium each month; generally, the first premium must be made at time of election.

What Benefits are Available with Illinois Continuation (mini-COBRA) Coverage?

Benefits contained within your group hospital, surgical, major medical, PPO or HMO plan are the same as they were under your previous group coverage. However, separate plans for dental, vision care, prescription drug benefits, disability income, specified disease benefits and supplementary benefits are not required to be provided and may no longer be available under the continuation coverage.

How Long Does Illinois Continuation (mini-COBRA) Coverage Last?

In general, the maximum period of coverage under Illinois Continuation (mini-COBRA) is **twelve (12)** months after the date the insurance stopped because your employment was terminated or your hours were reduced below the minimum required by the group plan.

Illinois Continuation (mini-COBRA) coverage may terminate earlier than the maximum period if:

- You become eligible for Medicare;
- You are covered by any other insured or self-insured group medical, hospital or surgical plan;
- You fail to make timely premium payments for coverage;
- Your employer's group policy is terminated in its entirety and not replaced with another group policy.

What Happens When My Illinois Continuation (mini-COBRA) Ends?

You or your dependents may convert coverage to an individual policy at any time during the continuation period or at the end of the period, except when the continuing person becomes eligible for Medicare. You may also wish to shop for coverage on the Health Insurance Marketplace during annual Open Enrollment (usually November 15 through February 15) even if your mini-COBRA has not expired. You will be required to cancel you mini-COBRA at that time.

You may also want to shop around for an individual policy on your own. You may be able to find better coverage at a more affordable rate. An insurance broker in your area can assist you in applying for individual coverage.

Alternatives to Illinois mini-COBRA

There may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as your spouse's plan). Loss of coverage due to employment termination or reductions in hours triggers a Special Enrollment Period (SEP) under the federal Health Insurance Portability and Accountability Act (HIPAA) and the federal Affordable Care Act (ACA).

Under HIPAA, you may be able to add you and your dependents to your spouse's employer sponsored group health plan. Check with your spouse's employer to determine if coverage is available to you. The HIPAA special enrollment period grants thirty days for you to enroll in your spouse's coverage if you are eligible. There may be a lapse between the two coverages.

Under the ACA, you may shop the Marketplace for coverage. It is important to understand the mini-COBRA coverage is retroactive back to the date you lose coverage whereas Marketplace coverage and HIPAA coverage is prospective. Recent federal rules provide a 60 day advance period for individuals who know they will be losing employer coverage to apply for coverage on the Marketplace to avoid a lapse. This is especially important if you or a family member is receiving medical treatment. If you do not have advance notice of your loss of coverage signing up for a Marketplace plan may create a brief lapse in coverage due to the fact Marketplace policies may not begin for several weeks.

If you choose mini-COBRA over a Marketplace insurance plan, you may not buy coverage through the Marketplace until (1) the next Marketplace Open Enrollment Period, (2) you have a qualifying event that qualifies you for another SEP, or (3) the mini-COBRA coverage expires. Non-payment of your mini-COBRA insurance is not a qualifying event for an SEP on the Marketplace.

For more information regarding the Marketplace insurance please go to www.healthcare.gov , www.getcoveredillinois.gov or (866) 311-1119.

Illinois Comprehensive Health Insurance Plan (ICHIP)

The ICHIP is for federally eligible individuals covered under HIPAA. Coverage is for Illinois residents only who meet the following criteria:

- Have a total of 18 or more of months of creditable coverage and who have no more than a 90 day break between periods of creditable coverage.

- The most recent creditable coverage was provided under a group health plan, government or church plan.
- May not be eligible for group health coverage, Medicare or Medicaid and may not have any other health insurance coverage.
- The most recent creditable coverage must not have been terminated due to non-payment of premium or fraud.
- All other federal COBRA requirements and state continuations options have been elected and exhausted.

For more information regarding the ICHIP program please visit www.chip.state.il.us or call (866) 851-2751.

For More Information About the Illinois Continuation (mini-COBRA) Coverage Law

Call our
Office of Consumer Health Insurance
Toll free at (877) 527-9431 or
Visit us on our website at <http://insurance.illinois.gov>

Related Topics:

[Health Insurance Continuation Rights -- COBRA](#)

[Health Insurance Continuation Rights -- Illinois Spousal Law](#)

[Health Insurance Continuation Rights – Dependent Child Law](#)

Comparison of Continuation Laws – Illinois Department of Insurance

	COBRA	Illinois Continuation (mini-COBRA)	Illinois Spousal Continuation	Dependent Continuation
Applicability	Applies to employer groups with 20 or more employees.	Applies to all group HMO and insurance policies which insure employees or members for hospital, surgical or major medical insurance.	Applies to all group accident and health and group HMO policies.	Applies to all group accident and health and group HMO policies.
Who Is Eligible	Employee, spouse or former spouse and/or covered dependent children.	Employees and covered dependents.	Divorced or widowed spouses (any age) and covered dependent children. Spouses (age 55 or older) of retired employees, and covered dependents.	Covered dependent children of deceased employee, who are not otherwise covered under the Spousal Continuation Law. Covered dependent children who attain the limiting age under the insurance policy or HMO certificate.
Coverage Requirements	Must be covered by the group plan on the day prior to the qualifying event.	Employee and covered dependents must be covered on the group plan for 3 continuous months before a qualifying event.	Spouse and dependents must be covered on the day prior to the qualifying event.	Dependent child must be covered on the day prior to the qualifying event.
Qualifying Events	<p>For employee, spouse, former spouse & covered dependent children upon:</p> <ol style="list-style-type: none"> 1. Termination of employment; 2. Reduction in employee's hours. <p>In addition for spouse, former spouse & covered dependent children upon:</p> <ol style="list-style-type: none"> 1. Employee's eligibility for Medicare; 2. Divorce or legal separation from employee; 3. Death of employee; <p>In addition, for covered dependent children upon:</p> <ol style="list-style-type: none"> 1. Loss of dependent child status under plan. 	Loss of coverage due to termination of employment or reduction in hours below the minimum required by the group plan.	<p>Must be offered to divorced spouse or widowed spouse and dependent children upon divorce from or death of employee.</p> <p>Must be offered to spouse (age 55 or older) and dependent children of retiree upon employee's retirement.</p>	<p>Must be offered to dependent child after death of insured if coverage is not available under the Spousal Continuation Law.</p> <p>Must be offered to dependent child upon attainment of limiting age under the insurance policy or HMO certificate.</p>

<p>Benefits</p>	<p>Coverage must be the same as under the group plan.</p>	<p>Coverage must be the same as under the group plan but need not include dental, vision or prescription drugs.</p>	<p>Coverage must be the same as under the group plan.</p>	<p>Coverage must be the same as under the group plan.</p>
<p>Length of Continuation Coverage</p>	<p>Loss of employment or reduced hours – maximum of 18 months. May be extended to 29 months if disabled. Divorce or legal separation from employee, death of employee or employee entitled to Medicare – maximum of 36 months for spouse, former spouse and dependent children. Loss of dependent child status-maximum of 36 months.</p>	<p>12 months</p>	<p>Spouse under age 55 – Divorced or widowed spouse (not spouse of retiree) and dependent children – Coverage is provided for maximum of 2 years. Spouse age 55 or older – Divorced or widowed spouse or spouse of retiree and dependent children – coverage is provided until spouse is eligible for Medicare.</p>	<p>Coverage is provided for a maximum of 2 years.</p>
<p>Premiums</p>	<p>Premium may not exceed 102% of group rate. Plan may charge 150% after 18 months if the 11-month extension for disability is granted.</p>	<p>Premiums may not exceed the group rate.</p>	<p>Spouse under age 55 – Divorced or widowed spouse premium may not exceed the group rate. Spouse age 55 or older – Divorced or widowed spouse or spouse of retiree, administration fee may be added to group rate after first two years of coverage.</p>	<p>Premiums shall not exceed the amount that would be charged to an employee if the dependent child was an employee PLUS the amount the employer would contribute toward the premium if the dependent child were an employee.</p>