

COBRA Continuation Coverage to 36 Months

State of New York Chapter 498 Extends COBRA Continuation Coverage to 36 Months

What is it?

Chapter 498 is a New York law that enables COBRA participants in the state of New York to receive up to a total of 36 months of group health insurance coverage.

An important caveat to note is that the additional extension applies to medical and comprehensive plans only. It does not apply to self-funded, dental-only, vision-only or prescription-only plans. Participants of the excluded plans will not be able to extend coverage under Chapter 498 once their original federal COBRA coverage is exhausted.

How does it Work?

The New York State Chapter 498 continuation coverage is set up at the benefit plan level. Once the normal 18 months of COBRA ceases for a participant in a plan that is flagged as New York State eligible, the participant will get an additional 18 months of New York State coverage, for that plan only, as long as they continue to pay the premium payments.

Who is covered under Chapter 498?

- ▶ All current COBRA participants are eligible for the additional 18 month state continuation coverage.
- ▶ The extension applies to all group insurance contracts that are subject to New York state laws and includes all policies or contracts that were issued, renewed, amended, modified, altered or amended between July 1, 2009 and October 31, 2009, and all policies and contracts on or after November 1, 2009.
- ▶ The extension applies to Healthy New York group contracts.

Is disability coverage extended?

Yes, individuals determined to be disabled under Title II or Title XVI of the Social Security Act are also entitled to up to 36 months of continuation coverage. Premiums will be calculated as stated below:

- ▶ Individuals determined to be disabled and who are eligible for federal COBRA are eligible for up to 29 months of federal COBRA coverage, plus up to 7 months of state continuation coverage, for a total of up to 36 months. These individuals are responsible for up to 102% of the premium for months 1-18 of coverage, up to 150% of the premium for months 19-29 of coverage, and up to 102% of the premium for months 30-36 of coverage.
- ▶ Individuals determined to be disabled and who are eligible for state continuation coverage (i.e. "mini-COBRA") are eligible for a total of up to 36 months of coverage and are responsible for 102% of the premium for months 1-36 of coverage.

The WageWorks Advantage

WageWorks offers the functionality of New York State Continuation at no additional charge to clients. We will administer the coverage for all eligible plans.

