

Health Care Reform Updates



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Revised COBRA and CHIP Model Notices Inform Individuals of Marketplace Coverage and Special Enrollment Rights

The U.S. Department of Labor has released **3 updated model notices** to clarify the availability of coverage through the Health Insurance Marketplace (Exchange) and provide information on special enrollment rights for such coverage:

- [Updated COBRA Model General Notice](#)
- [Updated COBRA Model Election Notice](#)
- [Updated CHIP Model Notice for Employers Regarding Premium Assistance Opportunities](#)

COBRA Notice Requirements

Federal [COBRA](#) (the Consolidated Omnibus Budget Reconciliation Act) generally applies to group health plans sponsored by employers with **20 or more employees** (including both full- and part-time employees) on more than 50% of their typical business days in the previous calendar year.

Each employee and spouse who becomes covered under a group health plan subject to COBRA must be provided a [general notice](#) describing the right to continuation coverage within 90 days after the date group health plan coverage begins. (This requirement can be satisfied by including the general notice in the plan's summary plan description and giving the SPD to the employee and spouse within this time limit.)

In general, an individual who was covered by a group health plan on the day before a qualifying event (such as termination of employment) may be able to elect COBRA continuation coverage upon a loss of coverage due to the qualifying event. Upon the occurrence of a qualifying event, the plan administrator is required to provide these individuals (called "qualified beneficiaries") with an [election notice](#), generally within 14 days after the administrator receives notice of the qualifying event.

CHIP Notice Requirement

Employers that provide coverage in states with premium assistance through Medicaid or the Children's Health Insurance Program (CHIP) must inform employees of potential opportunities for assistance in obtaining health coverage.

The [employer CHIP notice](#) must be provided annually before the start of each plan year. An employer generally may provide the notice applicable to the state in which an employee resides concurrent with the furnishing of:

- Materials notifying the employee of health plan eligibility;
- Materials provided to the employee in connection with an open season or election process conducted under the plan; or
- The summary plan description.

Additional Information

To read more about the changes made to the COBRA and CHIP model notices, you may review the U.S. Department of Labor's [FAQs](#). Additional information regarding special enrollment periods for the Health Insurance Marketplace for individuals eligible for, or enrolled in, COBRA is available in a [bulletin](#) from the



U.S. Department of Health and Human Services.

Be sure to check out the [Benefits Notices Calendar](#) in your online HR library for information on other federal notices required to be provided, and to download additional model notices available for employers and group health plans.

To access your online HR library, please visit www.HR360.com/login.

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