

CONSUMER TIPS

From the Vermont Division of Health Care Administration

Vermont's Continuation of Coverage Law

What Vermonters Should Know

If you lose your job, you have the right to continue your health insurance coverage, although you will now have to pay the entire premium yourself.

- If you worked for an employer with 20 or more employees, you may keep your policy in effect for a period between 18 and 36 months through the federal COBRA program.
- If your employer has fewer than 20 employees, you have the right to continue your coverage for up to 6 months through the Vermont Continuation of Coverage Program.

This publication describes the Vermont Continuation of Coverage Program.

Vermonters have the right to continue group health insurance coverage after their job ends. Under Vermont law (8 V.S.A. §4090a–c), employees who have lost their job voluntarily or involuntarily can choose to continue the same group health benefits, *at their own cost*, for up to six months.

Also, in cases where work has ended due to the death of the employee, or a spouse or dependent child loses coverage if there is a divorce or legal separation from the employee, the employee's spouse and/or any dependents who were covered under the group health plan may choose to continue coverage for up to six months.

A dependent child whose coverage ends because he or she reached the dependent age maximum (for example, 21 years of age) may also choose to continue coverage under the plan for a period of six months.

Keep in mind that if a company had been making any contributions toward your health insurance premiums before the job loss, they would not be required to continue to make those premium payments. You will be responsible for the entire health insurance premium amount.

Frequently Asked Questions

Am I eligible for Vermont Continuation of Coverage?

You must have been covered for the three months preceding termination under the company's health insurance plan. If you are eligible for other group health insurance coverage (perhaps through a spouse) or if you are eligible for Medicare, you will not be eligible for the Vermont Continuation of Coverage. If your job ended as a result of your misconduct, you will not be eligible to choose Vermont Continuation of Coverage.

Do I have to choose to continue my coverage the day I lose my job?

No. You will have thirty days from the day of job loss (sixty days if the job ended due to the employee's death) to make a decision to choose the Vermont Continuation of Coverage.

Must I choose Vermont Continuation of Coverage?

No. However, if you do not continue coverage, you may be subject to a pre-existing condition exclusion period. This would occur if any new coverage begins more than 63 days from the termination of your group coverage when you join either a non-group health plan or a large group (*more than 50 subscribers*) health plan or more than 90 days from termination of your group coverage when you join a small group (*50 or fewer subscribers*) health plan.

Will I receive a notice about any continuation options?

All health insurance contracts in Vermont include information regarding continuation of coverage options. You may not receive any additional notice. However, some companies may send you a notice even though they are not required to do so. Be sure to ask the company for a copy of the health insurance contract if you do not have one.

To whom do I make premium payments?

Any premium payment due from the date of the job loss must be paid to the insurance company or its agent within 30 days (within 60 days if the job loss is due to a death) with your notice that you plan to continue coverage. After that, premiums are paid monthly to the company in advance of each month's coverage. You should speak with the insurance company to set up

a payment plan to be sure your premium payments arrive on time. *If you do not pay the monthly premium in full or by the due date, the insurance can be terminated.*

How long can I continue health insurance coverage through the employer's group plan?

Generally, continuation of coverage will last for six months. However, if you fail to make your monthly premium when due, you become eligible for Medicare, or the group health plan ends, your continuation of coverage could end sooner.

What about continuation of coverage under COBRA?

COBRA is a federal law that allows continuation of group health coverage for employees or their families who lose coverage as a result of either a voluntary or involuntary termination of employment, reduced hours, death or divorce. It applies to companies that provide health plans for twenty or more people. COBRA does not apply when the federal government or certain church-related organizations sponsor the health plan. The period of coverage continuation is usually between eighteen and thirty-six months, depending on the situation.

You can obtain more information about whether you qualify for COBRA by contacting your company, health plan administrator or U.S. Department of Labor at 617-624-6690.

CONTACT INFORMATION

For more information about Vermont Continuation of Coverage, contact:

- Consumer Assistance at the Vermont Division of Health Care Administration at:
1-800-631-7788; or
- Your Health Plan; or
- Your Employer.

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