

**April
2019**



Mini-COBRA

And how it impacts your business

Under the law, employers must give plan enrollees the option to continue coverage at their own expense in cases where they would lose coverage because of a "qualifying event."

Now that we are in the swing of things for 2019, we wanted to reach out again and provide a refresher regarding a new Arizona law that will affect your company on your renewal date in 2019. Before 2019, companies with 20 or more employees were required by Federal law to offer COBRA (Consolidated Omnibus Budget Reconciliation Act of 1985). In April of 2018, Governor Ducey signed legislation enacting a new "mini-COBRA" law for Arizona. Beginning January 1, 2019, Arizona businesses with fewer than 20 employees will be required to offer mini-COBRA beginning on their renewal date of 2019. This new mandate applies to medical group plans only; stand-alone dental and vision plans do not apply. Any employee that is terminated (involuntary or voluntary) who was also on your medical health plan for 90+ days while employed, will be eligible for mini-COBRA.

Employers subject to this law must issue a notice to enrollees within 30 days of a Qualifying Event letting them know of:

- Their right to continue coverage at the full cost of the premium plus a 5% administration fee
 - The full cost for the enrollee and their qualified dependents to have coverage
 - The deadline for the enrollee to elect continuation coverage
 - The deadline for the enrollee to provide the initial and ongoing payments to the employer
- The loss of coverage if the enrollee fails to pay premiums and the administrative fee
 - Other information specified by law

If you are interested in having a third-party administer your mini-COBRA services, please let us know. Model notices can be found through The Arizona Department of Insurance at www.insurance.az.gov

