

COBRA PARTICIPANTS: ACT QUICKLY TO MAXIMIZE COST SAVINGS WITH ACA SPECIAL ENROLLMENT OPPORTUNITY

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In a recent CMS Bulletin, the Department of Health & Human Services announced a one-time special enrollment period for individuals who are currently eligible for, or enrolled in, COBRA continuation coverage to enroll in qualified health plans in the Marketplace. This special enrollment period applies to the Federally Facilitated Marketplace (FFM) and ends July 1, 2014.

A person eligible for, or enrolled in, COBRA coverage is generally permitted to enroll in the Marketplace only (i) when the person is initially eligible for COBRA or has exhausted his or her COBRA coverage rights, (ii) during annual open enrollment, or (iii) during some other special enrollment period. This one-time special enrollment period allows eligible individuals in states that utilize the FFM to terminate their COBRA coverage and enroll in qualified health plans offered through the FFM without regard to the standard enrollment period restrictions. In the absence of another special enrollment period, the next general enrollment opportunity would be the annual open enrollment period commencing November 15, 2014.

Such a switch may allow COBRA participants to realize savings by obtaining affordable (possibly subsidized) medical insurance coverage through a public exchange. Employers, who also stand to benefit by moving COBRA participants to alternative coverage, should consider promptly notifying COBRA participants of this limited special enrollment opportunity.

Note: This special enrollment period does not apply to a State-Based Marketplaces unless it adopts a similar special enrollment period.

MEET THE TEAM



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