

BluePrints for Brokers Update

June 20, 2012

Delaware Law Changes: Mini-COBRA Coverage

Blue Cross Blue Shield of Delaware (BCBSD) is committed to providing you with information that may affect your clients' group health insurance policies. Accordingly, we would like to let you know about a new Delaware state law, House Bill 170 (HB 170). This law requires small-employer group health insurance policies to provide Mini-COBRA coverage as those policies are renewed or issued beginning on, or after, **June 21, 2012**. Group health insurance policies include hospital, surgical or major medical insurance, health insurance, and sickness and accident insurance.

HB 170 applies to employers who normally employ one to 19 employees on a typical business day during the preceding calendar year, and who are not subject to the federal COBRA law. The new Delaware law requires those employers to offer Mini-COBRA to all employees and/or eligible dependents who have been continuously insured under a group policy during the three months prior to a qualifying event, and who lose coverage under the policy due to a qualifying event. Qualifying events include, but are not limited to: termination of employment; divorce; or a dependent's status change due to age.

Employers have 30 days to notify eligible employees when a qualifying event has occurred. Those employees and/or eligible dependents have 30 days from the notification date to enroll in Mini-COBRA. Coverage under Mini-COBRA may be continued for a maximum of nine (9) months or until December 31, 2013 when the law expires, and is contingent upon the payment of premiums and maintenance of the previously mentioned group health insurance policy by the employer. Additional requirements may apply in certain situations.

BCBSD will neither administer this law nor collect premiums directly from members. Employers are responsible for managing their own Mini-COBRA compliance. Your clients should submit Mini-COBRA memberships to BCBSD using the attached *Delaware Mini-COBRA Notification* form. This form should be accompanied by a *BCBSD Member Enrollment Application*.

Please note, this Broker Flash is intended to provide a brief overview of the new Delaware Mini-COBRA Law and is not intended to provide legal advice. Brokers and employers are urged to contact their legal counsel for advice with regard to provisions of the law and the application of such provisions to their businesses, employees and family members.

If you have any questions or would like additional information, please contact your BCBSD Broker Representative.

Thank you for your continued business. We look forward to working with you in the future.

Sincerely,



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