

## **Termination – COBRA & State Continuation**

The primary coverage continuation rights and options that are available to a person who is no longer eligible for group HMO coverage are **COBRA** and **State Continuation**.

**COBRA:** This is a federal law that applies to employers with 20 or more employees. If your employer is subject to COBRA and you are laid off, your employer is required to give you a written notice that explains your COBRA rights. You must decide whether to continue your health care coverage and notify your former employer of your decision to continue your coverage within 60 days of receiving written notice of your COBRA rights from your former employer. Under COBRA, you and your family have the right to remain on whatever health plan your former employer has for up to 18 months. You must continue paying the full premium, which includes both your former employer's share and your share plus a 2 percent administrative fee.

**STATE CONTINUATION:** If you are not eligible for COBRA or if you have exhausted your COBRA coverage, Texas law provides you with coverage continuation rights. Under Texas state continuation, you and your family may remain covered under your former employer's health plan for up to nine months if you are not eligible for COBRA. If you have exhausted your COBRA coverage, you may continue coverage for six additional months following any period of coverage continuation under COBRA. You must pay the full premium for any continued coverage. State continuation applies only to group health benefit plans issued by insurance companies and HMOs that are subject to the Texas Insurance Code. State continuation does not apply to employer self-funded (ERISA) health care plans, which are exempt from state insurance laws.

Your state continuation rights are discussed in the Texas Department of Insurance's (TDI) consumer publication, [Your Health Care Coverage](#). You may ask for printed copies by calling TDI toll-free at **1-800-599-7467**. You may also call TDI's Consumer Help Line at **1-800-252-3439** to obtain information about Texas state continuation requirements.