

State Continuation

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What is state continuation?

State law allows employees of smaller employers (fewer than 20 employees) to keep the same group health insurance coverage for up to nine months after loss of a job or loss of coverage because of a reduction in work hours. This is called state continuation.

Who is eligible?

An employee who has had continuous health coverage (not necessarily with the same employer) for at least three months prior to the date employment or coverage ended. The employee's spouse and children are also eligible to maintain coverage.

When might someone need state continuation?

- A family member loses his or her job.
- A family member maintains employment but loses health coverage because hours are cut.
- The family member who is insured through work becomes eligible for Medicare and no longer has group coverage but other members of the family still need insurance.
- The family member with coverage dies or divorces and a spouse and/or children need insurance.

Does an employee have to continue coverage for other family members to use state continuation?

No. Family members can make different decisions about whether to continue their group coverage. For example, parents may find more affordable coverage for children under age 19 in the individual (non-employer sponsored) market.

How does someone get state continuation?

If you wish to continue coverage, you must notify the insurer in writing the latter of:

- (1) 10 days after the date you become eligible; or
- (2) 10 days after the date the insurer notifies you of your eligibility.

Employers' contracts with insurers typically require the employer to notify the insurer when an employee is no longer eligible for the employer's plan and thus eligible for state continuation. Once notified, the insurer has 10 days to notify you of your eligibility. It's a good idea to contact the insurer as soon as you become eligible for state continuation in the event the employer's notification isn't sent to the insurer right away.

Who pays for state continuation coverage?

You have to pay the full price of the state continuation coverage. Most small employer group policies require employees to pay the premiums for state continuation insurance directly to their employers. Your employer can tell you the cost of the insurance, the date by which you must pay, and the manner in which payment must be provided.

Is state continuation similar to COBRA coverage?

Yes, but COBRA coverage is required of employers with 20 or more employees. If you have questions about COBRA coverage, contact the U.S. Department of Labor at 1-866-444-3272.

Another option is to purchase individual coverage through HealthCare.gov.

If you buy a plan through HealthCare.gov, you may qualify for help paying for your individual or family coverage.

You may apply for coverage through the HealthCare.gov up to 60 days prior to loss of coverage, or within 60 days after losing coverage.

Begin at OregonHealthCare.gov, the website for the Oregon Health Insurance Marketplace. The Marketplace is part of DCBS and helps Oregonians get covered at HealthCare.gov. Use the tools at OregonHealthCare.gov to get directed to the right application for you, or to find free, local help from an enrollment expert.

If you apply at HealthCare.gov and make your plan selection before your coverage ends or within the same month that your coverage ends, your new coverage will be effective the 1st day of the month following the end of coverage.

If you do not enroll within 60 days after coverage ends, you must wait until the next open enrollment period to buy an individual health plan. During open enrollment, if you enroll in a plan through the Marketplace between the 1st and the 15th of the month, your coverage will begin the first of the following month. If you enroll in a plan through the Marketplace between the 16th and the end of the month, your coverage will not begin until the first of the second month following your enrollment.

You may also use HealthCare.gov's financial help calculator to estimate your eligibility for help paying for coverage and the amount of assistance you may receive. You will need to complete an application to receive a full eligibility determination and actual amount of assistance.

If you are interested in purchasing new health insurance coverage (either from us or another insurance company) through HealthCare.gov, begin at OregonHealthCare.gov, a DCBS website with information that helps Oregonians get covered.

You may also visit HealthCare.gov directly, or contact their customer service center at 1-800-318-2596 (Telecommunications Relay Service: 711 or call TTY 1-855-889-4325.)

Some people will qualify for no-cost coverage through the Oregon Health Plan (Medicaid)

Answer the questions under "Get Covered" at OregonHealthCare.gov to learn if you should begin an insurance application for the Oregon Health Plan. Eligibility for the Oregon Health Plan is based mostly on income and household size. Immigration status is also a factor for adults.