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COBRA: Keeping Health Insurance After Leaving Your Job

If you lose or leave your job and cannot get health insurance in other ways, COBRA can allow you to keep your workplace health insurance for a while longer.

Disclaimer: The American Cancer Society does not offer legal advice. This information is intended to provide general background in this area of the law.

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What is COBRA?

COBRA, or the Consolidated Omnibus Budget Reconciliation Act, allows employees to keep their workplace health insurance for a limited time after leaving their job.

Who is eligible for COBRA?

You may be eligible for COBRA if you:

- Reduced your work hours.

- Quit your job.
- Lost your job.

You can usually keep this insurance for up to 18 months, sometimes longer.

The Affordable Care Act (ACA) and COBRA

The ACA (sometimes called Obamacare) offers affordable health insurance options, including for those with serious conditions like cancer. State insurance marketplaces offer options for people without employer health coverage. Depending on your situation, buying insurance through the Marketplace might cost less than COBRA.

COBRA vs. individual insurance

Compare your COBRA group plan to individual health plans from your state's Marketplace. Keep in mind that if you've lost your job and now have a lower income, you might qualify for financial help. You'll also have a special enrollment period for buying a Marketplace plan.

Paying for COBRA

If you choose COBRA, your employer might require you to pay the full cost of your health care premium plus a 2 percent administrative charge, which could be higher than what you're used to. Be prepared to cover these costs.

COBRA vs a Marketplace plan

If you choose a new plan through the Marketplace, your payments toward your deductible or out-of-pocket maximums will reset and go back to zero. However, if you choose COBRA, whatever you have contributed for the plan year will carry over.

If you don't choose COBRA, the loss of your coverage triggers a special enrollment period on your state's Marketplace. You can enroll in a Marketplace plan at that time, even if it's outside the normal open enrollment period. You'll have 60 days as a special enrollment period.

If you choose COBRA, it's important to be aware of the risks of stopping it before it runs out. You'll want to coordinate the start of your new coverage, so you don't have a gap in coverage while getting treatment or follow-up care.

[Questions about health insurance?](#) ¹

Contact the ACS cancer helpline to get answers and information.

[Search for resources](#) ²

Find free or low-cost resources from ACS and other organizations.

COBRA vs Medicare

If you're eligible for both Medicare and COBRA, think about which program suits your needs best. Choosing COBRA coverage and not enrolling in Medicare might lead to late enrollment penalties.

How long does COBRA last?

The duration of your COBRA coverage depends on your qualifying event. You can usually keep COBRA coverage for up to 18 months after a qualifying event.

What is a qualifying event and a qualifying event notice?

A **qualifying event** is something that causes you to lose your group health coverage and allows you to qualify for COBRA coverage.

The group health plan administrator must receive a notice of the qualifying event in a **qualifying event notice**. You can learn more about qualifying events on the US Department of Labor [COBRA website](#)³.

What is a COBRA election notice?

Within 14 days of getting the qualifying event notice, you should receive an **election notice**. This notice gives detailed information about COBRA coverage, including how to continue it.

You have 60 days after getting the election notice to choose health insurance coverage under COBRA. You must notify the COBRA administrator listed on your COBRA election notice in writing if you want to keep your health insurance under COBRA.

How long do I need to have a job to be eligible for COBRA?

You're eligible for COBRA coverage if you were covered under the group health plan

the day before your qualifying event. This rule applies to your spouse and covered dependents as well.

Need more information?

US Department of Labor, Employee Benefits, Security Administration (EBSA)

- Toll-free number: 1-866-444-3272 (1-866-444-EBSA)
- Website: [COBRA Continuation Coverage | U.S. Department of Labor](#)⁴

State Health Care Marketplaces – US Department of Health and Human Services

- Toll-free number: 1-800-318-2596 (also in Spanish)
- TTY: 1-855-889-4325
- Website: [Healthcare.gov](#)⁵

US Department of Health and Human Services – healthcare.gov

- Toll-free number: 1-877-696-6775
- Website: [www.healthcare.gov](#)⁶

Centers for Medicare & Medicaid Services (CMS) – HHS

- Toll-free number: 1-800-633-4227
- TTY: 1-877-486-2048
- Website: [Centers for Medicare & Medicaid Services \(CMS\)](#)⁷

National Association of Insurance Commissioners (NAIC)

- Toll-free number: 1-866-470-6242 (1-866-470-NAIC)
- Website: [National Association of Insurance Commissioners \(NAIC\)](#)⁸

Patient Services Incorporated (PSI) offers financial aid to people with certain types of cancer and helps them find and buy health insurance.

- Toll-free number: 1-800-366-7741 (ask to be connected to the Oncology Intake Department)
- Website: [Patient Services Incorporated \(PSI\)](#)⁹

**Inclusion on this list does not imply endorsement by the American Cancer Society*

Hyperlinks

1. www.cancer.org/about-us/what-we-do/providing-support.html
2. www.cancer.org/support-programs-and-services/resource-search.html
3. www.dol.gov/general/topic/health-plans/cobra
4. www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra
5. www.healthcare.gov/
6. www.healthcare.gov/
7. www.cms.hhs.gov/
8. www.naic.org/
9. www.patientservicesinc.org/

References

Employee Benefits Security Administration (ESBA). *An employee's guide to health benefits under COBRA*. U.S. Department of Labor. Accessed September 14, 2023. <https://www.dol.gov/sites/dolgov/files/legacy-files/ebsa/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf>.

Employee Benefits Security Administration (ESBA). Continuation of health coverage (COBRA). U.S. Department of Labor. September 2022. Accessed September 14, 2023. <https://www.dol.gov/general/topic/health-plans/cobra>

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