

How does COBRA continuation coverage requirements apply to Cafeteria Plans and other Flexible Benefit arrangements?

The provision of medical care through a cafeteria plan (as defined in Section 125) or other flexible benefit arrangement constitutes a group health plan. However, the COBRA continuation coverage requirements of section 162(k) apply to those medical benefits under the cafeteria plan or other arrangement that a covered employee has actually chosen to receive. Furthermore, except in cases where the plan is exempt from HIPAA, COBRA need only be offered in cases where the participant has a positive balance at the time of termination and only for the remainder of the current plan year.
