

At a Glance | August 20, 2020

COBRA Beneficiaries Are Less Healthy and Spend More

An examination of claims data shows dramatic differences between beneficiaries covered by a COBRA policy and those covered through a full-time employed worker.

SPENDING

Claims data show that Consolidated Omnibus Budget Reconciliation Act (COBRA) enrollees spent more on health care than employees still receiving health insurance benefits through their employer.

COBRA Enrollees Spend More on Health Care



HEALTH STATUS

The data show evidence of adverse selection: Those who receive coverage through COBRA more frequently have chronic conditions that are expensive to treat.

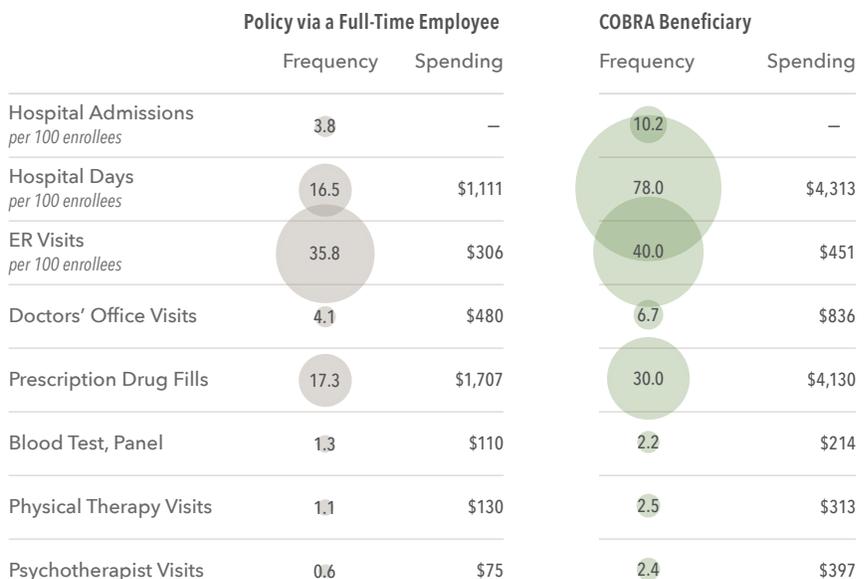
COBRA Enrollees Are Older and Tend to Be Less Healthy



HEALTH CARE USAGE

COBRA claimants are heavier users of both inpatient and outpatient services. COBRA enrollees with individual coverage had nearly five times the hospital days of those covered through a full-time employee. And they spent more than twice as much on prescription drugs.

COBRA Enrollees Use Health Care More Frequently



1. CCI is an index comprised of the following conditions: acute myocardial infarction, congestive heart failure, peripheral vascular disease, cerebrovascular disease, dementia, chronic obstructive pulmonary disease (COPD), rheumatoid disease, peptic ulcer, mild liver disease, diabetes, hemiplegia or paraplegia, renal disease, cancer, moderate/severe liver disease, and AIDS.

SOURCE: Jake Spiegel and Paul Fronstin, "COBRA: A Closer Look at Who Enrolls and the Case for Subsidies," EBRI Issue Brief, no. 508 (Employee Benefit Research Institute, July 9, 2020).