

CASE LAW

Qualifying Events and Coverage Periods

Kern v. Blaine Kern Artists & Coventry Health Care

(United States District Court for the Eastern District of Louisiana, Case No. 05-3066 (E.D. La. 2006))

Divorce can be a difficult matter for a husband and wife, especially when both work at the same employer. In addition, divorce has COBRA implications that are not always clear.

After Sherry and Blaine Kern were divorced on January 3, Sherry continued to work for their employer, Blaine Kern Artists, for almost six more months before terminating her employment on June 30. When she terminated her employment, Sherry Kern argued that she should have received 36 months of COBRA coverage instead of 18 months, because her qualifying event was the divorce, not the termination of employment.

Two critical facts worked against Ms. Kern's argument. First, at all times, her health coverage was based on her status as an employee, not as a spouse of an employee. Second, she did not suffer a loss of coverage until her employment terminated.

Thus, the District Court upheld the defendants' motion for summary judgment. It concluded that the triggering event was the employment termination and that Ms. Kern was entitled to only 18 months of COBRA coverage.

Blaine Kern Artists and Coventry Health Care were not completely off the hook. The District Court denied summary judgment on two issues, allowing them to go to trial:

- Whether Ms. Kern received a sufficient notice of COBRA rights.
- Whether Coventry Health Care fully paid all claims submitted during the COBRA coverage period.