

# What Venus Williams' Health Insurance Comments Indicate About COBRA

By Kathryn Mayer



After being sidelined from competitive tennis for 16 months due to health issues, seven-time Grand Slam champion Venus Williams made her comeback in July at the Mubadala Citi DC Open in Washington, D.C. But it wasn't just her love of the game that brought the 45-year-old superstar back. It was also the health care coverage.

*"I had to come back for the insurance," Williams quipped about the Women's Tennis Association's health coverage after her first-round win in Washington. "They informed me earlier this year I'm on COBRA. I was like, 'I got to get my benefits on.' Started training. I'm always at the doctor, so I need this insurance."*

Her comments may have been somewhat playful, but they're also steeped in reality. The Consolidated Omnibus Budget Reconciliation Act (COBRA)—which allows employees and their families to stay on their former employer's sponsored health insurance plan for a certain amount of time, usually 18 months, although it can sometimes be extended to 36 months and can be pricey, given that coverage is not subsidized by the employer and involves administrative fees. It's also often confusing and overwhelming, given the complex set of rules, timelines, eligibility criteria, and payment schedules.

*"While the right to elect continuation of health coverage is a helpful protection for employees, the reality is that COBRA is usually much more expensive than active employee coverage,"* said Sarah Raaii, a partner in the Chicago office of law firm McDermott Will & Schulte. *"Former employees and their families can end up paying many more times what they were paying for the same coverage as an active employee."*

When the COBRA period concludes, people have to find coverage themselves.

*"Without employer-sponsored health coverage, many individuals realize that there isn't a perfect alternative,"* Raaii said.

Williams' viral comments about health insurance illustrate the frustration and confusion that many workers, including those who leave their employer, have about health insurance coverage and costs, experts said. It also signals a need for greater communication and education about COBRA information from employers, as well as information about benefits more generally.

*"Williams' comments align with our data about workers' understanding of workplace benefits in general,"* said Kimberly Landry, associate research director at LIMRA, an insurance industry trade association based in Windsor, Conn. According to 2024 LIMRA data, just 25 percent of workers say they understand their medical benefits extremely well.

*“But adding in understanding about how COBRA works and how to transition to medical benefits outside of the workplace likely widens the gaps of understanding,”* Landry added.

Previous data from eHealth found that just 17 percent of U.S. consumers said they know a “great deal” about COBRA, while 18 percent know “something” and 25 percent know a “little bit.” Fifteen percent said they had just heard the term, and roughly one in four, or 26 percent, said they had never heard of it before.

*“Many don’t understand what happens when they lose coverage after leaving a job,”* said Harrison Newman, vice president and benefits consultant at Corporate Synergies in Camden, N.J. *“Across the board, people tend to only learn how their insurance works when they have to, and by then, it’s too late to make informed decisions. This widespread confusion around health coverage leads to frustration, poor outcomes, and in some cases, causes workers to stay in the workforce longer than needed.”*

## **Employer Role**

That leaves an opportunity for employers, with Newman remarking *“employers can and should do a better job preparing employees for COBRA and post-employment health coverage.”*

*“Too often, organizations do the bare minimum when it comes to COBRA because the affected individuals are no longer active employees,”* Newman said.

*“The mindset is, ‘Let’s focus on the people who are here and want to be here,’”* he said. *“What’s overlooked, then, is that COBRA participants are often the most expensive members on a health plan. Many of them are dealing with serious health conditions and elect COBRA not because it’s the best option, but because it’s the only one they understand. They’re afraid of change, confused about alternatives, and worried that other plans won’t cover their pre-existing conditions.”*

Employers that are subject to COBRA must provide election notices to employees and dependents

who become eligible to elect COBRA shortly after the COBRA-qualifying event, Raaii explained. *“It’s becoming increasingly important for employers to pay attention to these deadlines and make sure that they give COBRA-qualifying beneficiaries adequate and timely notice, as we’ve seen an uptick in lawsuits against employers seeking to impose penalties for failure to do so,”* she said. *“The DOL (Department of Labor) has issued model COBRA election notices, and that can be a good place for employers to start in crafting the notice they send to COBRA-qualifying beneficiaries.”*

Taking the time to properly offboard employees and educate them on their options—whether it’s COBRA, Affordable Care Act plans, or Medicare—can have a major impact on both the individual and the organization’s benefits strategy, Newman added.

*“A little education at the right moment can go a long way in reducing costs and improving outcomes,”* he said.

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**Kathryn Mayer, Senior Specialist, B2C Content** is responsible for SHRM’s total rewards coverage and contributes to *HR Quarterly* and *All Things Work*. She has covered the health and benefits industry since 2011 and has served as senior benefits editor and chair of the Health & Benefits Leadership Conference at Human Resource Executive, editor-in-chief of *Employee Benefit News*, and executive managing editor at *BenefitsPro*. Her award-winning stories have been recognized by the Jesse H. Neal Award, the American Society of Business Publication Editors, and the National Federation of Press Women.

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