



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#09-09

To: Benefits Administrators
From: State and Local Health Benefits Programs
CC: All OHB
Date: December 29, 2009
Re: Extension of ARRA Premium Assistance Eligibility and Duration of Premium Reduction

The American Recovery and Reinvestment Act of 2009 (ARRA) was amended on December 19, 2009, by the Department of Defense Appropriations Act of 2010 (2010 DOD Act) and provides for an extension of COBRA premium reduction eligibility for a period of two additional months (through February 28, 2010) and an increase in the maximum period for receiving the subsidy from nine to 15 months.

COBRA Election Notice

While the US Department of Labor (DOL) has not issued new model notices to incorporate the COBRA subsidy extensions, the Department of Human Resource Management's Office of Health Benefits has updated the current COBRA Election Notice to include information provided by DOL on December 23, 2009. This can be used by agencies to provide COBRA Election Notices to qualified beneficiaries who lose coverage due to a COBRA qualifying event (regardless of the specific qualifying event) on or after December 31, 2009 (or prior to December 31, 2009, if a notice has not yet been generated). This temporary update will be available at the link below during the week of January 4, but a copy in MS Word format is attached for your immediate use.

<http://www.dhrm.virginia.gov/resources/benefitsadmin/benefitsadmintoc.html> (click on *Extended Coverage Election Notice* under the *Forms* category)

The process for applying for treatment as an assistance eligible individual will remain the same, as outlined in BA Memo #09-04. This document explains that agencies receiving *COBRA Election and Enrollment Forms* that also include a *Request for Treatment as an Assistance Eligible Individual* should forward all forms to the Office of Health Benefits for processing. In those cases, agencies must also include a written confirmation that the qualifying event was an involuntary termination of employment or, if the involuntary termination of employment is disputed, why the agency considers that the termination was not involuntary (e.g., employee indicated a resignation due to finding a better job, employee could have maintained employment had he not resigned and was not at risk of termination by the employer, etc.) This information can be faxed to 804-371-0231. *Election and Enrollment Forms* that do not include a *Request for Treatment as an Assistance Eligible Individual* should be handled in the routine manner. **PLEASE MAKE EVERY EFFORT TO COMPLY WITH THIS PROCESS. FAILURE TO DO SO WILL RESULT IN A DELAY IN YOUR EMPLOYEE'S APPROVAL OR DENIAL OF ARRA BENEFITS AND CAN RESULT IN A DELAY IN COBRA ENROLLMENT.**

In addition to the updates resulting from the 2010 DOD Act amendment, a few additional minor changes have been included in the Election Notice. Most significant are:

- Clarification of the Election Period (see *COBRA Election Form*)
- The ability to indicate election of retiree coverage OR COBRA coverage, either of which could allow eligibility for premium reduction if otherwise eligible (see *Request for Treatment as an Assistance Eligible Individual*)
- The ability for an eligible retiree (someone who retired in lieu of involuntary termination of employment) to indicate that retiree coverage is the ONLY other coverage for which qualified beneficiaries are eligible (see *Request for Treatment as an Assistance Eligible Individual*), thereby not preventing eligibility for premium assistance.

Current Assistance Eligible Individuals

The Department of Human Resource Management's Office of Health Benefits is awaiting guidance regarding required notification regarding re-enrollment or premium overpayment credit to Assistance Eligible Individuals who will be affected by this amendment, including those whose premium reductions ended November 30 or December 31, 2009. Individuals whose premium reduction would have ended January 31, 2010, or later will not see an increased premium/loss of assistance pending notification of the amendment.

Replacement of COBRA Election Notices

Information available at this time indicates that employees who lost health plan coverage due to termination of employment on or after October 31, 2009, will need to be provided an updated Election Notice. The Office of Health Benefits will keep agencies informed regarding this requirement or any other legislation affecting this benefit. To this end, it is suggested that agencies maintain a list of any COBRA Notices sent due to loss of coverage October 31, 2009, or later until this requirement is clarified.