

ARRA COBRA Subsidy Extension Action Items

January 2010

Action Items:

- a) Identify those affected by subsidy extension to 15 months
- b) Send required notices to affected individuals (this may already be in process by your COBRA administrator/vendor)
- c) Provide credits or refunds to those who paid the full COBRA amount for December and/or January and are now eligible for a subsidy for those months, and restore coverage for those who did not make those payments who now pay them retroactively
- d) Track future eligibility and end dates for COBRA-eligibles and participants

Key Dates:

- a) 12/19/09: Enactment Date, or the date the extension was signed
- b) 1/29/10: Date by which notices must be sent to any eligibles who ended their COBRA coverage December 1 to let them know of subsidy extension and opportunity to restore coverage
- c) 2/17/10 or 30 days from receipt of notice: Date by which the COBRA participant who dropped coverage 12/1 must pay retroactive premiums for December & January
- d) 2/17/10: Latest date that notices can be sent about the subsidy extension to eligibles who are currently enrolled in COBRA
- e) 2/28/10: New ending date for eligibility for COBRA subsidy due to involuntary job loss (previously had been 12/31/09). Job loss must occur by this date, even if benefits are extended for a period beyond that date, at which time the subsidy will apply
- f) 15 months: New maximum period for COBRA subsidy (previously 9 months)

Those Affected by Subsidy Extension:

- a) COBRA enrollees with 1 or more months of COBRA eligibility remaining who exhausted their initial 6 month subsidy and either terminated from COBRA due to non-payment or who have started paying the full COBRA amount
- b) COBRA enrollees who are participating in the subsidy and who have not yet reached the 9 month limit
- c) COBRA-eligibles whose first day of coverage loss is 11/1/09 through 2/28/10 and who have been notified of COBRA eligibility but have not yet enrolled – they must receive a modified notice
- d) COBRA-eligibles whose qualifying event occurs after 12/21/09 through 2/28/09 who will need to get a revised notice. This includes those whose benefits may have been extended and therefore COBRA subsidy won't begin until after 2/28/10