

News Release



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Contact: David James or Bob Zachariasiewicz
Phone: (202) 693-4676 (202) 693-4686

U.S. Department of Labor Helps Hurricane Katrina Victims Preserve Health Benefits

WASHINGTON -- The U.S. Department of Labor's Employee Benefits Security Administration (EBSA), in conjunction with the Internal Revenue Service, announced a further extension of a number of deadlines so workers and employers affected by Hurricane Katrina have additional time to make critical health coverage decisions.

The relief provides additional time to comply with certain deadlines, contained in the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Health Insurance Portability and Accountability Act (HIPAA) and the rules for processing of health claims, that can have a profound impact on workers' health benefits.

Without the extension, people might miss key events in the immediate aftermath of the storm which could result in loss of eligibility for continuation of health benefits or cancellation for missed premium payments under COBRA. Workers could also become subject to preexisting condition exclusions preventing them from being covered for their current medical conditions by a new insurer, or they could lose the ability to join their spouse's health plan. For more information concerning the extended deadlines, see the attached Fact Sheet.

The Labor Department and IRS will continue to monitor the situation to address those issues that are most important in helping individuals, employers and plan sponsors recover from this tragedy. The notice of extension will appear in the Federal Register Oct. 12. For more information on Hurricane Katrina relief, contact the department at 1-866-4USA-DOL or EBSA at 1-866-444-3272.

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