
Helpful Information for Beneficiaries on COBRA Premium Assistance under the American Recovery and Reinvestment Act (ARRA)

The American Recovery and Reinvestment Act of 2009 (ARRA) provides premium assistance for certain individuals receiving continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) or comparable State laws. Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the employer, plan, or insurer through a tax credit. The premium assistance applies to periods of health coverage beginning on or after February 17, 2009, and lasts for up to 9 months. Under the ARRA, COBRA continuation coverage is defined as continuation coverage provided pursuant to the Employee Retirement Security Act of 1974 (ERISA) and Section 4980B of the Internal Revenue Code (generally for private sector employers with 20 or more employees), the Public Health Service Act (for non-federal governmental employers with 20 or more employees), Title 5 of the US Code (for federal employees) or under a State program that provides comparable continuation coverage (generally covering private employers with fewer than 20 employees). State continuation of coverage programs generally are referred to as State mini-COBRA programs, but ARRA applies only to comparable State mini-COBRA plans.

This document provides helpful information about the ARRA and COBRA continuation coverage that are directed towards the individuals eligible for these COBRA programs.

For general information about COBRA coverage and changes to COBRA under the ARRA, please visit the Department of Labor's website at: <http://www.dol.gov/ebsa/COBRA.html>. There you can find more information about who qualifies as an "assistance eligible individual," the special COBRA election opportunity under ARRA, model notices and more. Also, the Internal Revenue Service has additional information which can be found at: <http://www.irs.gov/newsroom/article/0,,id=204505,00.html>.

1. How can I qualify for assistance with my COBRA premium?

You can qualify for COBRA premium assistance for a period of up to 9 months if you are an "assistance eligible individual." An "assistance eligible individual" is someone who meets ALL of the following conditions:

1. The individual is eligible for COBRA coverage at any time during the period that begins on September 1, 2008 and ends on December 31, 2009;
2. The individual qualifies for COBRA continuation coverage based on an involuntary termination of the covered employee's employment during that period.

3. The individual elects the COBRA coverage either when it was first offered or, if applicable, during the subsequent election opportunity described below.

If you qualify, the premium assistance applies to periods of coverage that begin on or after February 17, 2009. For group health plans that provide COBRA coverage on a calendar month basis, March 2009 is the first month to which the premium assistance can apply.

2. What if I did not take COBRA coverage when it was first offered either because it was too expensive or for another reason?

You will get another opportunity to elect COBRA coverage if ALL of the following conditions are met:

1. the group health plan is subject to federal continuation coverage requirements;
2. you did not have an election of COBRA coverage in effect on February 17, 2009; and
3. you would be an assistance eligible individual if you had a COBRA election in effect on February 17, 2009.

Under these circumstances, you will have a second opportunity to elect COBRA coverage during the period beginning on February 17, 2009 and ending 60 days after the date you are provided notice regarding the second election opportunity. COBRA coverage will commence with the first period of coverage beginning on or after February 17, 2009 and will end not later than the last day of coverage to which you would have been entitled had you elected and maintained COBRA coverage in response to the initial election opportunity.

Note: Comparable State mini-COBRA plans are not required by Federal law to give individuals a second election opportunity but States may take actions to provide for such election opportunities.

3. How do I find out if my State requires small employers to provide continuation coverage?

Approximately 40 States require that employers not covered by the Federal COBRA requirements provide some form of continuation coverage. To find out whether your State has such a requirement, contact your State's Department of Insurance. To obtain the contact information of your State Department of Insurance, go to http://www.cms.hhs.gov/HealthInsReformforConsume/Downloads/2009-0205_State_Status_Chart.pdf. Staff at the State Department of Insurance should be able to advise you on whether a State continuation coverage program exists and, if so, whether individuals receiving continuation coverage through the State's program could potentially be eligible for the premium assistance.

4. How will I find out about how to apply, or when I can elect COBRA?

If your plan is under the jurisdiction of federal COBRA law, you should receive notice from your employer, or, in the case of private sector multi-employer and union group health plans, from the health plan itself. If your employer is subject to your state's continuation coverage laws (i.e., is a mini-COBRA program) and is comparable, you should receive notice.

5. How do I apply for the premium assistance and what is the deadline for doing so?

If you or your family member were terminated before the date ARRA was enacted on February 17, 2009, your group health plan administrator should have already sent you the forms you need to apply for the premium assistance with detailed instructions. Under Federal COBRA laws, these forms must have been sent by April 18, 2009. See the table below for general information about these forms and the applicable deadlines. You should receive more detailed information with the forms.

Name of Form	You Should Complete This Form If -	Deadline for Submitting Form
Request for Treatment as an Assistance Eligible Individual	You wish to apply for the premium assistance.	There is no deadline, but it is in your best interest to complete and submit the form as soon as possible.
COBRA Continuation Coverage Election Form (for those in plans covered by Federal COBRA laws)	You wish to elect COBRA continuation coverage and have yet to do so.	Within 60 days of the later of; the date of the notice that accompanies the form; or the coverage loss date.
Continuation Coverage Election Form (for those in plans covered by State laws)	You wish to elect continuation coverage provided by the laws of your state.	Specified by State law.
Form for Switching COBRA Continuation Coverage Benefit Options	You were offered the option to switch to coverage different from that in which you were enrolled at the time of your involuntary termination; and You wish to receive assistance with the premium for that coverage.	Within 90 days of the date of the notice that accompanies the form.

6. I lost my employer based health insurance because my hours were reduced. Can I get the premium assistance?

As explained above, the only qualifying event that is subject to the premium assistance is involuntary loss of coverage (see Q&A-1). Thus, a reduction in hours generally is not a qualifying event that entitles the beneficiary to the premium assistance. If the qualifying

event is having your hours reduced to zero, then it would be construed as an involuntary termination and you then could potentially be eligible for the premium assistance. In addition, if an employee resigns rather than accept the reduced hours, that would also be considered an involuntary termination of employment.

7. I signed a document indicating that I had resigned my job although I believe I was really fired. Can I qualify for the premium assistance?

The determination of whether a termination of employment is involuntary is based on all the facts and circumstances. For example, if a termination is designated as voluntary or as a resignation, but the facts and circumstances indicate that, absent such voluntary termination, the employer would have terminated the employee's services, and that the employee had knowledge that this was the case and was willing to keep working for the employer, the termination is involuntary for purposes of the ARRA premium reduction.

8. Do I have to pay the full COBRA premium for the first two months (March and April) that is covered under the premium assistance provisions? If so, will I get credit for the full payments?

If you were an assistance eligible individual (see Q&A-1) as of March 1, 2009, you are entitled to remit 35 percent of the full premium amount for the months of March and April regardless of whether you received timely notice of the opportunity to request the premium assistance. If you have not been notified of your right to the premium assistance, you should contact your employer or the group health plan administrator to make certain that they are aware of the ARRA premium assistance requirements. Assistance eligible individuals who pay the full premium amount for the months of March and April are entitled to a credit equal to 65 percent of the full premium amount. The credit will be applied to premium payments for future months or refunded to you.

9. My state's mini-COBRA program offers comparable continuation coverage for less than 9 months. Can I still get the premium assistance if I lose my job and elect the continuation coverage in my State?

Yes, but you will only receive the assistance for the period of time specified under your State's program. So, for example, if your State's law only offers continuation coverage for 6 months, you would only receive the assistance for 6 months.

10. I just lost my job, and plan to elect COBRA and apply for the premium assistance. My wife is on Medicare but I'm not. Can I still qualify for the premium assistance? What about my wife?

In this situation, you may qualify for assistance, but your wife cannot qualify. When an individual becomes eligible for Medicare or another group health plan, s/he is no longer eligible for premium assistance.

11. How can my employer learn more about the premium assistance?

Your employer can find more information at any of the following websites:

- The Centers for Medicare & Medicaid Services (www.cms.hhs.gov/cobracontinuationofcov/)
- CMS-sponsored (<http://www.continuationcoverage.net>)
- The Department of Labor (<http://www.dol.gov/ebsa/COBRA.html>)
- The Internal Revenue Service (www.irs.gov/newsroom/article/0,,id=204505,00.html/)

Your employer can address any questions to a CMS-sponsored helpdesk by either:

- calling toll-free (866) 400-6689 (staffed 8 am - 8 pm EST)
- e-mailing ContinuationCoverage@maximus.com.

12. What should I do if my application for the premium assistance is denied?

If your request for treatment as an assistance eligible individual is denied, whether by your plan, employer or insurer, you can ask for an expedited review of the denial by the U.S. Department of Labor (DOL) or the Centers for Medicare & Medicaid Services (CMS), as shown in the table below. CMS or DOL must make a determination within 15 business days of receipt of a completed request for review.

Department of Labor	Centers for Medicare & Medicaid Services
Private employers with 20 or more employees (except churches)	State, Local and other non-Federal governments with 20 or more employees
	Federal government agencies
	Private employers with fewer than 20 employees that are subject to comparable State min-COBRA laws; also churches if subject to comparable State mini-COBRA laws

Forms for requesting a review of a denial can be found on the following websites:

- CMS Website: <http://www.cms.hhs.gov/COBRAContinuationofCovof>
- CMS-sponsored Website: <http://www.continuationcoverage.net>
- Department of Labor Website: <http://www.dol.gov/ebsa/COBRA/main.html>

