

COBRA

JAMES KIRBY OFFICE OF ECONOMIC STIMULUS

Hello, my name is Jim Kirby from the Office of Economic Stimulus, I'm here to talk about COBRA continued health care coverage assistance under the American Recovery And Reinvestment Act Of 2009.

What is ARRA Consolidated Omnibus Budget Reconciliation Act (COBRA)?

It provides workers who have lost their jobs and health benefits the right to purchase group health coverage provided by the plan under certain circumstances.

What does this mean?

If the employer continues to offer a group health plan the laid off employee can retain their group health coverage for up to 18 months paying group rates.
An employer with more than 20 employees must offer COBRA to their employees.

Who pays for regular COBRA?

You pay for your COBRA coverage. The cost may be higher than what you were paying as an active employee.

Who is entitled to benefits under ARRA COBRA?

Employees who were involuntary terminated between September 1, 2008 and December 31, 2009.

What if my company closed?

If there is no longer a health plan, there is often no COBRA coverage available. This premium reduction is available to help qualified individuals pay for COBRA continuation health coverage

How much will COBRA cost under ARRA?

Eligible individuals pay 35 percent of their COBRA premiums.
Remaining 65 percent is reimbursed to the coverage provider through a tax credit.

When does the premium reduction start under ARRA COBRA?

The premium reduction applies to periods of health coverage beginning on or after February 17, 2009 and lasts for up to nine months.

How long can I remain on ARRA COBRA?

ARRA COBRA does NOT extend the period of regular COBRA continuation coverage beyond the original maximum period of 18 months.

Are there any restrictions on ARRA COBRA?

If you are eligible for other group health coverage (such as a spouse's plan) or Medicare, you are NOT eligible for the premium reduction.

What if I couldn't afford COBRA upon termination?

If you were involuntarily terminated from 9/1/08 through 2/16/09 and did not elect regular COBRA when it was offered, OR did elect regular COBRA, but are no longer enrolled,(for example were unable to continue payments) can now choose to enroll.

When Does the ARRA COBRA Election Start?

The election period begins on February 17, 2009.

Does my income affect the premium cost?

If your adjusted gross income for the year in which the premium assistance is received exceeds \$145,000, then the amount of the premium reduction during the tax year must be repaid.

Individuals with adjusted gross income over \$125,000 will have smaller premium reductions

Income Amount Vs. Premium

If you have questions on how your income amounts may affect your premiums, visit the IRS web site:

<http://www.irs.gov/>
Further Information

Information about ARRA's premium reduction provisions is also available from the IRS and Dept. of Health Human Services, which along with the Dept. of Labor, share responsibility for COBRA and the new requirements added by ARRA.

Will my former employer contact me?

Notices must be provided regarding the premium reductions to individuals, whether they have COBRA coverage or not, who had a qualifying event from September 1, 2008 through December 31, 2009.

Review of denials of premium reduction by employer:

If you are denied treatment as eligible individuals and thus are denied eligibility for the premium reduction (whether by their plan, employer, or insurer) you may request a review by the U.S. Department of Labor (DOL).

•Tel 866-444-3272

COBRA Questions?

Employee Benefits Security Administration (EBSA) Benefits Advisor

<http://www.dol.gov/cobra>

Who Can I Contact With Questions?

**U.S. Department of Labor
Frances Perkins Building**

200 Constitution Avenue, NW, Suite N-1513

Washington, DC 20210

Tel: 866-444-3272

TTY: 877-889-5627