



Government Mandates Bulletin

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Recently Enacted COBRA Changes

Several changes to the law providing for the COBRA subsidy were recently enacted. Changes include:

- The time period for qualifying events has been extended two months. Previously, to qualify, individuals had to have lost coverage between September 1, 2008 and December 31, 2009. Now the deadline is February 28, 2010.
- Individuals who qualify can receive the subsidy for a maximum of 15 months. Previously the duration was 9 months.
- The grace period for payment will be extended for individuals whose subsidy period expired before the extension was enacted. To continue their coverage, these individuals must pay 35 percent of their premium costs by February 17, 2010, or 30 days after their plan administrator notifies them of the extension, whichever is later.
- Individuals who lost their subsidy and paid the full premium in December 2009 should contact their plan administrator or sponsoring employer to discuss a credit for future months of coverage or a reimbursement of the overpayment.

HM Insurance Group (HMIG), Highmark's recommended COBRA administrator, is planning the operational enhancements required to implement the changes to the law. HMIG will communicate the final interpretation and timelines for implementation of these changes directly with their COBRA administration customers.

Pennsylvania's "mini-COBRA" law is also impacted by these changes. Keep in mind, however, that mini-COBRA, which provides coverage for a maximum of nine months, only went into effect in July. That means the subsidy is still in effect for any qualifying individuals, so the only change for mini-COBRA is the February 28, 2010 qualifying event extension.

Reginald Brown

Director, Producer Affairs West

Phone:

412-544-2031

E-mail:

reginald.brown@highmark.com