

# COBRA Subsidy Expansion in 2010

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## Frequently Asked Questions

**Situation Review:** On December 19, 2009, the U.S. Congress passed and President Obama signed into law an extension of the COBRA subsidy originally authorized by the American Recovery and Reinvestment Act (ARRA). The law extends the eligibility period for the premium subsidy for additional two months (through February 28, 2010) and the maximum period for receiving the subsidy for an additional six months (from nine to fifteen months).

### ***What are the eligibility requirements now?***

Individuals eligible for premium assistance were involuntarily terminated from September 1, 2008 through February 28, 2010, a two month extension from the original end date of December 31, 2009.

### ***How long does the subsidy last?***

The maximum period for receiving the subsidy has been increased to fifteen months, an extra six months of premium assistance.

- Participants who are currently receiving a premium subsidy are now eligible to receive the subsidy for a total of fifteen months.
- Participants who had terminated their COBRA coverage after the original subsidy was exhausted may reinstate their coverage retroactively for the additional six months or until the end of their eligibility period. If participants paid the full amount of their COBRA coverage when the subsidy was exhausted, they will receive a credit for any amount paid above the subsidized amount.

### ***Do the extensions apply to VIPER coverage, too?***

Yes, the two month eligibility extension and the six month subsidy extension apply to both COBRA coverage and VIPER coverage authorized by the state of Vermont.

### ***What do employers have to do?***

Employers with **more than 20 total employees** continue to:

- mail COBRA notices to terminated employees. Employers can find updated model ARRA notices on the Department of Labor website: [www.dol.gov/COBRA](http://www.dol.gov/COBRA)
- collect 35 percent of the health care premium from the eligible employee(s) and seek reimbursement of 65 percent from the federal government through payroll tax credits
- pay 100 percent of the monthly premium to BCBSVT

Employers with **20 or fewer total employees** continue to:

- provide BCBSVT with names and addresses of any employee(s) terminated anytime through February 28, 2010. Logon to our website and enter the information here: [www.bcbsvt.com/arra\\_small\\_group](http://www.bcbsvt.com/arra_small_group).
- collect 35 percent of the health care premium from the eligible employee(s)
- pay 35 percent of the monthly premium to BCBSVT

### ***How is Blue Cross and Blue Shield of Vermont supporting employers?***

BCBSVT continues to contact terminated employees from small employers and give them information about the premium subsidy. BCBSVT is also alerting individuals who are currently receiving a premium subsidy about the extension.

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