



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

Group Administrator Memo #10-01

To: Group Benefits Administrators
From: State and Local Health Benefits Programs
Date: January 20, 2010
Re: Extension of ARRA Premium Assistance Eligibility and Duration of Premium Reduction

NOTE: ARRA extension is for groups with 20 or more employees. The Virginia General Assembly has not yet passed legislation to extend “Mini COBRA”.

The American Recovery and Reinvestment Act of 2009 (ARRA) was amended on December 19, 2009, by the Department of Defense Appropriations Act of 2010 (2010 DOD Act) and provides for an extension of premium reduction eligibility for a period of two additional months (through February 28, 2010) and an increase in the maximum period for receiving the subsidy from nine to 15 months.

Extended Coverage/COBRA Election Notices

The Department of Human Resource Management’s (DHRM) Office of Health Benefits and The Local Choice (TLC) have updated the current Extended Coverage Election Notice to include information provided by DOL on December 23, 2009. This can be used by TLC Groups to provide Extended Coverage Election Notices to qualified beneficiaries who lose coverage due to a COBRA qualifying event (regardless of the specific qualifying event) on or after December 31, 2009 (or prior to December 31, 2009, if a notice has not yet been generated).

In addition to the updates resulting from the 2010 DOD Act amendment, a few additional minor changes have been included in the Election Form. Most significant are:

- Clarification of the Election Period (see Extended Coverage Election Form)
- The ability to indicate election of retiree coverage OR Extended Coverage, either of which could allow eligibility for premium reduction if otherwise eligible (see *Request for Treatment as an Assistance Eligible Individual*)

- The ability for an eligible retiree (someone who retired in lieu of involuntary termination of employment) to indicate that retiree coverage is the ONLY other coverage for which qualified beneficiaries are eligible (see *Request for Treatment as an Assistance Eligible Individual*), thereby not preventing eligibility for premium assistance.

Current Assistance Eligible Individuals

The DHRM Office of Health Benefits and TLC are awaiting guidance regarding required notification regarding re-enrollment or premium overpayment credit to Assistance Eligible Individuals who will be affected by this ARRA amendment, including those whose premium reductions ended November 30 or December 31, 2009.

Replacement of Extended Coverage Election Notices

Information available at this time indicates that employees who lost health plan coverage due to termination of employment on or after October 31, 2009, will need to be provided an updated Election Notice. TLC will keep TLC Groups informed regarding this requirement or any other legislation affecting this benefit. To this end, it is suggested that TLC Groups maintain a list of any Extended Coverage Notices sent due to loss of coverage October 31, 2009, or later until this requirement is clarified.