



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

Group Administrator Memo #10-02

To: Group Benefits Administrators
From: State and Local Health Benefits Programs
Date: February 4, 2010
Re: Premium Assistance Extension Notice

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.

About two weeks ago, we provided you with a new **COBRA/EXTENDED COVERAGE General Notice**. You should continue to use that notice for any EXTENDED COVERAGE eligible terminations on or after October 31, 2009.

In addition, federal guidelines require that a new notice, **Premium Assistance Extension Notice** be provided to current Assistance Eligible Individuals (AEIs). This notice includes information about the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act.

The new **Premium Assistance Extension Notice** should go to:

- **Individuals who were receiving premium assistance as of October 31, 2009 including individuals who have received the full nine months of premium assistance required under ARRA and either did not make any payment for subsequent periods of coverage, made payment of the 35% (or some other amount that is less than the full premium), or made payment of the full premium otherwise required to maintain coverage absent the subsidy, AND**
- **Individuals who became Assistance Eligible Individuals or experienced a qualifying event that was the termination of a covered employee's employment on or after October 31, 2009 but who were not provided the new COBRA/EXTENDED COVERAGE General Notice.**

To limit liability for your group and The Local Choice, it is important that you **provide this notice as soon as possible and before February 17, 2010**. Notice should be provided via first class mail and you should maintain mailing documentation as you would with any COBRA/EXTENDED COVERAGE Notice.

NOTE: ARRA extension is for groups with 20 or more employees. The Virginia General Assembly has not yet passed legislation to extend “Mini COBRA” although we anticipate that they will. New forms will be provided to our small groups if this legislation is passed. Please review the form carefully before you transfer it to your letterhead. There are numerous places throughout the form that require you to enter information. These spots are listed with **“Insert”** and are in **bold red print**. After insertion on your letterhead, you will need to remove the bold and red color from the inserted sections.

As always, questions should be directed to Walter Norman, TLC Program Manager at (804) 786-6460 or by email to walter.norman@dhrm.virginia.gov.