



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

Group Administrator Memo #10-03

To: Group Benefits Administrators
From: State and Local Health Benefits Programs
Date: April 2, 2010
Re: ARRA Premium Assistance Extension Notice

The American Recovery and Reinvestment Act of 2009 (ARRA) was amended in December by the Department of Defense Appropriations Act of 2010 (2010 DOD Act) and, most recently, the Temporary Extension Act of 2010. The most recent amendment provides an extension of premium reduction eligibility for a period of one additional month (through March 31, 2010).

Attached is a new **COBRA/EXTENDED COVERAGE General Notice**.

It should be mailed to anyone experiencing any COBRA qualifying event during the period starting with September 1, 2008, and ending with March 31, 2010, who has not yet received an Election Notice. Most specifically, it must be sent to qualified beneficiaries who had a qualifying event in March, lost coverage on March 31, 2010, and can elect COBRA coverage effective April 1, 2010. The previous version of the Election Notice did not include the TEA amendments and, therefore, did not apply to qualifying events that occurred in March. This should be sent within the normal Election Notice time frame (within 14 days of the loss of coverage). If you sent the old version of the Election Notice to anyone who experienced any termination of employment (voluntary or involuntary) on or after March 1, 2010, including a termination of employment during the period starting March 2, 2010, and ending March 31, 2010, that followed a reduction of hours, you should send the updated notice immediately and provide a new 60-day election period.

In addition to extending ARRA through March 2010, TEA expands ARRA eligibility to another group of Extended Coverage Beneficiary. TEA now provides that an involuntary termination of employment that follows a reduction of hours may be a qualifying event for purposes of ARRA premium reduction if the termination occurs on or after March 2, 2010, and not later than March 31, 2010, and the reduction of hours occurred at any time from September 1, 2008, through March 31, 2010. **If you had a March involuntary**

termination of employment of any employee who experienced a reduction of hours between September 1, 2008, through March 31, 2010, you should contact Walt Norman at (804) 786-6460 for additional instructions.

DO NOT continue to use prior versions of our General Notice or Election Notice. Please review this new 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.