

# GREENBERG & ASSOCIATES INSURANCE

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## **\*\*\* IMPORTANT BULLETIN \*\*\***

**TO: ALL GROUP HEALTH INSURANCE CLIENTS**

**FROM: GREENBERG & ASSOCIATES INSURANCE**

**DATE: February 16, 2010**

**RE: Updated Model COBRA Notices**

The Department of Labor has issued updated COBRA Model Notices. The American Recovery and Reinvestment Act of 2009, was amended by the Department of Defense Appropriations Act of 2010 which mandates that plans notify current and former participants and beneficiaries about the premium reduction. The Department of Labor created model notices to assist plans and individuals to comply with these requirements. They have provided three new notices which apply to a specific group of qualified beneficiaries and contains information to satisfy ARRA's notice provisions, including those added by the 2010 DOD Act. The new notices are as follows:

**Updated General Notice** – Plans subject to the Federal COBRA provisions must provide the updated General Notice to all qualified beneficiaries (not just covered employees) who experience a qualifying event at any time from September 1, 2008 through February 28, 2010, regardless of the **type** of the qualifying event, and who have not yet been provided an election notice. This model notice includes updated information on the premium reduction as well as information required in a COBRA election notice.

Please note, individuals who experienced a qualifying event for a termination of employment in December 2009, but, who were not eligible for COBRA coverage until January 2010 most likely were not provided proper notice. These individuals should get the updated General Notice AND the full 60 days from the date the updated notice is provided to make a COBRA election.

**Premium Assistance Extension Notice** – This notice needs to be provided to individuals who have already been given a COBRA election notice that did NOT include information regarding ARRA, as amended by the DOD Act of 2010. This model Premium Assistance Extension Notice includes information about the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act. Following are the affected individuals and the associated timing requirements:

- Individuals who were “assistance eligible individuals” as of October 31, 2009 (unless they were in a transition period – see below), and individuals who experienced a termination of employment on or after October 31, 2009 and lost health coverage (unless they were already provided a timely, updated **General Notice**) must be provided notice of the changes made to the premium reduction provisions of the ARRA by the 2010 DOD Act by **February 17, 2010**;

- Individuals who are in a “transition period” must be provided this notice within 60 days of the first day of the transition period. An individual’s “transition period” is the period that begins immediately after the end of the maximum number of months (generally nine) of premium reduction available under ARRA prior to its amendment. An individual is in a transition period only if the premium reduction provisions would continue to apply due to the extension from nine to 15 months and they otherwise remain eligible for the premium reduction.

In the event there is an overlap where an individual may be entitled to multiple notices, the DOL states that providing the Premium Assistance Extension Notice by the earliest date required will satisfy the notice requirement.

**Updated Alternative Notice** – Insurance issuers that provide group health insurance coverage must send the updated Alternative Notice to persons who became eligible for continuation coverage under a State law. Therefore, if you are subject to Oregon State Continuation, your insurance carrier will be responsible for providing this notice to anyone on continuation.

Attached is a copy of the above referenced **Updated General Notice** and the **Premium Assistance Extension Notice**. Since the carriers are responsible for Oregon State Continuation’s **Updated Alternative Notice**, I have not attached that notice here. For more information, or, to download these notices directly from the DOL go to [www.dol.gov/ebsa](http://www.dol.gov/ebsa) .

Sincerely,

Sharon Greenberg and Adrienne Hutchins