



NEWS RELEASE

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Governor Kulongoski Signs Legislation to Help Oregonians Pay for Health Care Premiums
Change extends benefits for workers laid off by small employers

Salem – Governor Kulongoski today signed House Bill 2433 into law, ensuring Oregonians can take full advantage of the health insurance premium assistance made available by the federal American Recovery and Reinvestment Act.

“For unemployed Oregonians struggling to make ends meet, paying for health insurance on their own can be next to impossible,” the Governor said. “The federal economic stimulus package makes health care more affordable for those who have lost their jobs – and the legislation I’m signing today will help more Oregonians access this much-needed benefit.”

The American Recovery and Reinvestment Act will pay up to 65 percent of premiums for workers who lost their jobs and choose to stay on their employer’s health plan. For employers with 20 or more employees, the right to continue group coverage after you lose your job is provided by the federal Consolidated Omnibus Budget Reconciliation Act, known as COBRA. For smaller employers, Oregon’s “state continuation” law provides similar rights. In both cases, the former employees normally must pay the full cost of the insurance.

The federal subsidy brings down the costs significantly; however, state law had prevented some Oregonians from taking full advantage of the subsidy. For example, the subsidy is available to former employees for nine months after they lose their job, but state law allowed Oregonians who worked for small employers, or employers not subject to COBRA, to continue coverage through the state continuation plan for only six months. House Bill 2433 and follow-up rule making by the Department of Consumer and Business Services achieves the following:

- Extends the amount of time former employees can continue coverage through the state continuation program from six months to nine months. This gives Oregonians the opportunity to receive the subsidy for the maximum amount of time.
- Gives Oregonians who lost their job before the federal stimulus package was announced, and who chose not to continue their employer plans at that time, a second opportunity to decide to continue coverage.
- Makes sure all eligible Oregonians know about the subsidy by requiring insurers to notify all employer groups and individuals whose jobs ended between Sept. 1, 2008 and Dec. 31, 2009 of the possibility that they qualify for the subsidy. Consumers have 31 days from the date they are notified to decide to continue group coverage.

“This legislation will help ensure Oregonians who worked for small employers can receive crucial help paying for health care,” the Governor said. “It will make a big difference for families as they manage through these trying economic times.”

Oregonians who worked for small employers (less than 20 employees) and lost their jobs since Sept. 1, 2008, should receive a notice in the mail about their potential eligibility for the subsidy and instructions on how to sign up by June 1, 2009. If you worked for a large employer subject to COBRA, you already should have received a notice.

If you an Oregonian who has recently lost his or her job and has not received a notice, but would like to take advantage of the subsidy, he or she should contact their employer, insurer, or the DCBS Insurance Division at 503-947-7984 or toll-free at 1-888-877-4894.

For more information, visit the Insurance Division’s Web site at: <http://insurance.oregon.gov/consumer/consumer-issues/federal-stimulus-info/federal-stimulus-info.html>.