

GREENBERG & ASSOCIATES INSURANCE

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***** IMPORTANT BULLETIN *****

TO: GROUP HEALTH CLIENTS

FROM: GREENBERG & ASSOCIATES INSURANCE

DATE: March 15, 2010

RE: Oregon State Continuation Amendment to Administrative Rules

As you may recall from our bulletin March 8, 2010 the federal government enacted another extension of the COBRA subsidy for eligible individuals from the original date of February 28, 2010 to March 31, 2010. The State of Oregon issued notification yesterday that they have adopted new temporary rules that will allow for the same changes to be applied to the State Continuation Program which will allow Oregonians enrolled in the State Continuation Plans to receive the maximum subsidy provided by the federal law.

We had indicated in our bulletin that the State had not yet reported any changes. Since they have adopted the rules effective March 10, 2010 to adopt the same extension as the federal government, we wanted to pass this on to you as soon as possible.

In addition, as outlined in our prior bulletin, the COBRA provision that allows for those who had previously had a reduction of hours as their first qualifying event, and subsequently were terminated involuntarily, have now been given a second qualifying event in which to adopt COBRA, and thereby qualify for a subsidy, has also been adopted for Oregon State Continuation. Therefore, if you had previously reduced an employee's hours and they were offered Oregon State Continuation, whether they took the coverage or not, and you subsequently terminate that employee involuntarily, they too will be eligible for the subsidy. However, the effective date of the continuation will be retroactive to the date of the original reduction of hours and the subsidy will start only with the second qualifying event.

For further information regarding the adoption of the new Administrative Rules by the State of Oregon for Continuation Plans, please go to the following website at the Oregon Insurance Office:

http://www.insurance.oregon.gov/rules/recent_admin_rules.html .

Sincerely,

Sharon Greenberg and Adrienne Hutchins