

## COBRA Subsidy Extension

We have good news for current and former members who have lost coverage since September 1, 2008. COBRA subsidies for involuntarily terminated persons have been extended by Congress.

Under the American Recovery and Reinvestment Act (ARRA) passed in February 2009, COBRA-eligible employees involuntarily terminated and eligible for COBRA between September 1, 2008, and December 31, 2009, were eligible for a nine-month subsidy, allowing them to pay only 35 percent of their COBRA premiums.

In December 2009, Congress amended this law to allow people to keep the subsidy for up to 15 months, extended the eligibility time frame for involuntary termination to February 28, 2010, and will allow people to get the subsidy even if they are not eligible for COBRA until after that date. Involuntarily terminated employees still must elect COBRA in a timely manner to be eligible for the subsidy.

### What this means for employers

COBRA-eligible employers should visit the Department of Labor Web site at <http://www.dol.gov/ebsa/COBRA.html> for the updated notices to use for involuntarily terminated employees and for other important information about the COBRA subsidy.

### South Carolina Continuation of Coverage

Please note that for employers with fewer than 20 employees, South Carolina continuation coverage only allows for six months of coverage; therefore, these recent changes to the law will not extend the period of subsidized coverage beyond six months. However, employees will qualify for the subsidy if their involuntary terminations occur prior to February 28, 2010. BlueCross will continue to handle the state continuation subsidy for these groups.

Please contact your marketing representative with any questions.

