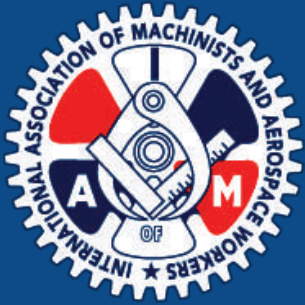


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IN THE NEWS

ITN

No time to waste on COBRA subsidy

If you're eligible for the health insurance extension, make sure your employer is on top of the situation.

By Francesca Lunzer Kritz, Los Angeles Times , March 2, 2009

Not surprisingly, questions remain -- and will continue -- on the decision to subsidize COBRA health insurance benefits for some people who recently lost their jobs, and with it, their health coverage. This element of the recently enacted stimulus bill offers eligible individuals a 65% reduction in their premiums for up to nine months.

We asked Kirby Bosley, senior health benefits consultant for consulting firm Watson Wyatt in Los Angeles, to answer two for us.

I was recently laid off from a job that offered health insurance and have heard my employer will contact me about what to do to apply for the subsidy. When should I expect that information? When would benefits begin?

Employers are still scrambling to understand the rules and comply with them -- the timing for receiving notice is extremely tight. If you think you're eligible for the subsidy, but haven't received notice yet, you should soon. Employers have 60 days from date of enactment (that is, by April 17) to send notices to assistance-eligible individuals who lost coverage between Sept. 1, 2008, and Feb. 16, 2009. For those eligible for the assistance who lost employment-based health insurance on or after Feb. 17 of this year, the employer generally has 44 days from the date the employee lost coverage to provide a COBRA notice that includes an explanation of the subsidy. In any event, if you've lost your job since Sept. 1 and think you qualify, you can contact your company's benefits or HR department to get things started.

I think I'm eligible, but I'm nervous that my employer will decide not to deal with the COBRA subsidy. Are employers allowed to opt out?

Your employer can't opt out -- this is the law. But your employer will be responsible for determining whether you qualify for the subsidy. If you are denied, you can appeal directly to the Department of Labor. By law, the department must review your appeal within 15 days. [Labor recently noted on its website that it is developing a process and an official application form that will be required to be completed for appeals. Information will be posted at www.dol.gov/ebsa.]
