



DAVID A. PATERSON
GOVERNOR

STATE OF NEW YORK
DEPARTMENT OF CIVIL SERVICE
ALFRED E. SMITH STATE OFFICE BUILDING
ALBANY, NEW YORK 12239
www.cs.state.ny.us

NANCY G. GROENWEGEN
COMMISSIONER

NY09-20
SEHP09-07

MEMORANDUM

TO: New York State Health Benefits Administrators

FROM: The Employee Benefits Division

SUBJECT: The American Recovery and Reinvestment Act of 2009
COBRA Subsidy Provisions

DATE: April 16, 2009

The American Recovery and Reinvestment Act of 2009 (ARRA) provides for COBRA premium assistance and additional election opportunities for COBRA continuation coverage for employees (and their covered dependents) who are involuntarily terminated from employment during the period September 1, 2008 through December 31, 2009. Under the provisions of the ARRA, "assistance eligible individuals" pay only 35 percent of the COBRA continuation coverage premiums. The remaining 65 percent is reimbursed to the coverage provider through a federal tax credit.

On April 17, 2009, the Employee Benefits Division will notify those enrollees who experienced a loss of coverage during the period September 1, 2008 to April 17, 2009, of their rights to request treatment as an assistance eligible individual, and where applicable, their rights to an additional COBRA continuation coverage election period. An additional COBRA election period will only be provided to those enrollees (and their covered dependents) who meet the requirements for the ARRA COBRA subsidy. Employees who experience a loss of coverage during the period April 18, 2009 through December 31, 2009, will receive a Full General COBRA notice that includes information on the ARRA COBRA provisions.

We have included with this memo, a template letter which provides verification that an enrollee's loss of coverage was due to an involuntary termination of employment. To assist the Employee Benefits Division in complying with the ARRA COBRA provisions, we are requesting that you provide this letter to each employee who experiences a loss of coverage due to an involuntary termination of employment during the period September 1, 2008 through December 31, 2009. Please ensure that the letter is addressed to the enrollee and is signed by a representative of your agency. You should advise enrollees to include this letter when completing a Request for Treatment as an Assistance Eligible Individual, as verification that the termination of employment was involuntary.

We have also included, *Summary of the COBRA Premium Reduction Provisions Under ARRA and COBRA Continuation Coverage and The American Recovery and Reinvestment Act of 2009 (ARRA) Frequently Asked Questions*, which will be included with the information sent to enrollees who experience a loss of coverage during the period September 1, 2008 through December 31, 2009.

If you have any questions you may contact your processor, or the Employee Benefits Division COBRA Unit at (518) 457-5754.