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PA09-11
PAEX09-07

MEMORANDUM

TO: CEOs and HBAs of Participating Agencies with Less than 20 Employees

FROM: The Employee Benefits Division

SUBJECT: Procedures for Administration of the ARRA COBRA Premium Subsidy

DATE: April 16, 2009

The information contained in this memo applies to Participating Agencies with less than 20 employees, as defined in Memo PA09-10/PAEX09-06. If your agency has more than 20 employees please disregard this information.

Your agency should have already provided the required ARRA continuation coverage notice (see below) to any employees and/or covered dependents who lost group health insurance coverage as the result of termination of employment on or after September 1, 2008. These notices were required to be sent no later than April 18, 2009. In addition, this notice must be provided to any enrollee and/or dependent who loses coverage for any reason through December 31, 2009. Please notify the Employee Benefits Division of each former enrollee's or dependent's election to continue coverage under the ARRA continuation coverage provisions. The Employee Benefits Division Participating Agency Unit will assist in processing any transactions related to ARRA continuation coverage. To enroll a former enrollee or dependent in ARRA continuation coverage, you will need to provide the Employee Benefits Division with the following completed documents for each eligible enrollee:

- Continuation Coverage Election Form
- Request for Treatment as an Assistance Eligible Individual
- Letter certifying the employee experienced an involuntary termination of employment

Models of the required documents are attached to this memo, and can also be found on the Department of Civil Service home page at www.cs.state.ny.us under *News and Notifications*.

The ARRA requires that only an insurer can claim the COBRA subsidy on behalf of employers with fewer than 20 employees. Your agency's billing will be adjusted to exclude the employer portion of the continuation coverage premiums designated as eligible for the premium subsidy.

Your agency is responsible for collecting the enrollee's 35 percent share of the continuation coverage premiums. The Empire Plan insurers will be responsible for covering the remaining 65 percent of the continuation coverage premiums, which will be recovered as a credit to the insurers' federal withholding taxes. In order for the Empire Plan insurers to recover this amount, it is required that supporting documents are maintained for all credits claimed. You are **required** to submit the attached Certification of Premiums Received on a monthly basis, for all enrollees receiving the ARRA continuation coverage subsidy. The Employee Benefits Division will then provide the supporting documentation to the Empire Plan insurers.

If you have any questions you may contact the Employee Benefits Division at 518-474-2780 or 1-800-422-3671.