

KEEPING CURRENT . . . on COBRA & HIPAA®

COBRA SUBSIDY EXTENDED THROUGH MARCH

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended on March 2, 2010 by the Temporary Extension Act of 2010, provides for premium reductions for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Eligible individuals pay only 35 percent of their COBRA premiums and the remaining 65 percent is reimbursed to the coverage provider through a tax credit. To qualify, individuals must experience a COBRA qualifying event that is the involuntary termination of a covered employee's employment.

The involuntary termination must generally occur during the period that began September 1, 2008 and ends on **March 31, 2010**. An involuntary termination of employment that occurs on or after March 2, 2010 and follows a qualifying event that was a reduction of hours and that occurred at any time from September 1, 2008 through March 31, 2010 is also a qualifying event for purposes of ARRA.

The premium reduction applies to periods of health coverage that began on or after February 17, 2009 and lasts for up to 15 months.

The Temporary Extension Act of 2010 may be found at: www.dol.gov/ebsa/pdf/HR4691.pdf

MICHELLE'S LAW REQUIRES PLAN DOCUMENT AMENDMENT AND ADDITIONAL NOTIFICATIONS

Michelle's Law was effective for plan years beginning on or after October 9, 2009. To comply with the requirements, you should include a description in your plan documents of the terms for continued coverage under this law. In addition, when sending any notice describing the plan's student certification requirements for coverage, the plan also must include a description of the terms for continued coverage under this law.

"Michelle's Law" (H.R. 2851) was passed to ensure that dependent college students who take a medically necessary leave of absence do not lose health insurance coverage due to losing their full-time status as a student. The law provides that a group health plan must extend benefits for up to one year for a medically necessary leave (or earlier if the coverage would otherwise terminate under the plan). The student must have been enrolled in the group health plan on the basis of being a dependent college student the day before the first day of the leave. The leave of absence must:

- * Be medically necessary;
- * Commence while the child is suffering from a serious illness or injury; and
- * Cause the child to lose coverage under the plan.

The group health plan may require written certification by the student's physician stating the student is suffering from a serious illness or injury, and the leave is medically necessary.

For more information on these topics, contact:

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