



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#10-04

To: Benefits Administrators
From: Office of State and Local Health Benefits Programs
CC: All OHB
Date: April 29, 2010
Re: ARRA Update – Continuing Extension Act of 2010

This correspondence updates BA Memo #10-02 and previous memoranda regarding the American Recovery and Reinvestment Act (ARRA), as amended.

Extension of eligibility period for premium assistance

The Continuing Extension Act of 2010 was enacted on April 15, 2010, and extends the eligibility period for ARRA premium assistance through May 31, 2010 (formerly March 31, 2010). This will also apply to involuntary terminations of employment that occur on or after March 2, 2010, but by May 31, 2010, that follow a qualifying event that was a reduction of hours that occurred at any time from September 1, 2008, through May 31, 2010. An updated Election Notice is attached for your use and should be generated for any qualifying events that will result in a loss of coverage effective April 30, 2010 (including terminations of employment following reductions of hours as defined above).

Updated Election Notice requirements

If you have waited to send COBRA notices for qualifying events in April until coverage is actually lost on April 30, you should not need to send any replacement notices since the previous version of the Election Notice is appropriate for coverage losses through March 31. (As we anticipate possible additional notice updates, we would again encourage you to avoid sending COBRA Election Notices prior to actual loss of coverage.) However, if you did send out the previous version (Temporary Extension Act of 2010) of the Election Notice due to qualifying events in April resulting in a loss of coverage on April 30 due to any termination of employment, you will need to send an updated notice with a 60-day election period starting the later of the date coverage was lost or the date of the notice. The updated notice may also be used for any COBRA qualifying events going forward or for events prior to April for which no notice has been sent.

Future Election Notice updates

In addition to any possible ARRA amendments, this notice will be updated to include premiums effective July 1, 2010, in time to use it for qualifying events resulting in loss of coverage on June 30, 2010. Also, per the announcement in BA Memo #10-03, you will note that the COBRA Election Form (included with the Election Notice) now has a place to indicate a plan election. This will eliminate the need for a separate COBRA/Extended Coverage Enrollment Form. This COBRA/Extended Coverage Enrollment Form will officially be discontinued effective July 1, 2010, but for ARRA purposes, you may stop using it immediately and use only the Election Form within the Election Notice as the initial COBRA/Extended Coverage enrollment vehicle.

Questions regarding this memorandum can be directed to ohb@dhrm.virginia.gov with "ARRA question" in the subject line.