

ISSUE/QUESTION

Implementation of Stimulus Bill provisions for COBRA coverage

ANSWER

We are monitoring the Stimulus Bill and especially the COBRA changes. While many of you are calling for updates and directions on what to do relative to the new changes, we must wait until we obtain a bit more guidance. As of this moment, my understanding is the DOL has 30 days to issue the "model notice". As soon as we have a better understanding of the procedure, we will put out a bulletin.

In the meantime, we are aware of the new provisions. We do recognize this COBRA section is retroactive to Sept. 1, 2008, however those who declined COBRA previously will get their 60 day period to enroll, but enrollment will be prospective, not retroactive. We are aware of the 65%/35% split in costs. There are many details we must get before we can implement the program, so just advise your callers that we are moving as fast as we can, but we must await some direction from the US Department of Labor.

AUTHORITY

ADOA Benefits Service Division

ISSUED

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