

## Summary of Key Oregon State Continuation Provisions in the American Recovery and Reinvestment Act (ARRA)

| Subject                | Oregon State Continuation Provision   |
|------------------------|---|
| Employer Eligibility   | Group health plans in Oregon with 19 or fewer employees.  |
| Individual Eligibility | <ul style="list-style-type: none"> <li>• Individuals whose employer has remained in business and still offers a health insurance plan.</li> <li>• An individual who had at least three months of continuous group coverage at the time of job loss. Job loss must be involuntary and not for gross misconduct. People who quit their jobs are not eligible for the subsidy, but are eligible for State Continuation.</li> <li>• The subsidy is available for people who lost or lose their job between September 1, 2008 and December 31, 2009.</li> <li>• People with modified adjusted gross income of <b>no more than</b> \$145,000 (\$290,000 for joint filers) qualify for partial or full subsidy.</li> </ul> |
| Eligible Dependents    | Eligible dependents include those family members who were insured on the employer's group health plan as of the date of termination and who are not eligible for other group coverage or Medicare. Dependents added at open enrollment, new spouses or children, and domestic partners are not eligible for the federal subsidy.  |
| Eligible Coverage      | Only medical coverage is eligible for State Continuation. Therefore, dental benefits may not be continued and are not eligible for the federal premium subsidy.   |
| Subsidy Amount         | The eligible former employee will pay 35% of the total premium and the federal government will pay the remaining 65%. Unlike groups who are COBRA eligible, the insurance carrier, <b>not the former employer</b> , is responsible for paying the 65% up front and then recouping the premium from the federal government.  |
| Effective Date         | The effective date for the subsidy is March 1, 2009.  |
| Duration               | A maximum of 9 months of subsidy is available to eligible State Continuation enrollees. If an otherwise qualified individual waived coverage at the time they were eligible, they are to be given a new election period. In addition, any period of the normal 6 months of State Continuation used prior to March 1, 2009 does not count towards the full nine months of entitled coverage that includes the federal premium subsidy. <b>Please note: The extension will apply to all persons eligible for state continuation coverage, even those who do not qualify for the subsidy.</b>  |
| Subsidy Termination    | Eligibility for the federal subsidy ends on the earliest of the following: (1) nine months after it started, (2) the date the individual's State Continuation coverage ends, and (3) the individual's eligibility for coverage under any other group health plan or eligibility for Medicare. <b>Please note: The premium subsidy ends when an individual on State Continuation is merely eligible for another group health plan.</b>   |
| Notice Responsibility  | The requirement to send the State Continuation notices falls on the insurer, <b>not the former employer</b> . Each carrier will define its own process for sending these notices out. They may send them with a shotgun approach to all terminations, or require the group to notify them of eligible former employees.   |
| Notice Timeframes      | Terminated employees must be notified within 10 days from the date the insurer receives notice of termination from the group health plan. The former employee then has 31 days from the date they receive the notice to elect State Continuation and the premium subsidy.   |
| Second Election Period | A second 31 day election period must be provided to those former employees who otherwise meet the eligibility requirements, but either 1.) Waived State Continuation at the time they were first eligible, or 2.) Elected State Continuation which has since terminated. <b>Please note in all cases, enrollees are eligible for a new 9 month State Continuation period regardless of any prior months of coverage.</b>  |