



Maine Municipal Employees Health Trust

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IMPORTANT NOTICE COBRA and ARRA

The *Consolidated Omnibus Budget Reconciliation Act* of 1985 provides for a temporary extension of employer-provided group health coverage, commonly called **COBRA** continuation coverage, to certain individuals who have lost their health coverage. The recently enacted federal stimulus package, known as **ARRA**, the *American Recovery and Reinvestment Act* of 2009, re-opens eligibility for COBRA continuation coverage and provides a premium reduction to certain qualified individuals who have been involuntarily terminated by their employers.

The ARRA law and rules published to date offer minimal guidance for multiple employer welfare arrangements such as the Health Trust. We continue to obtain professional advice to clearly understand our legal obligations and develop processes to allow *eligible* members and employer groups to take advantage of these federal programs.

- **Who is eligible and what are the basic provisions?**

Individuals who incurred an *involuntary* termination of employment (typically a layoff) between September 1, 2008 and December 31, 2009 may be eligible to pay a reduced premium amount that is 35% of the premium for COBRA coverage for up to 9 months, beginning March 1, 2009. This subsidized health coverage may be available even for terminated employees who did not initially elect COBRA continuation coverage.

The premium reduction (65% of the COBRA premium) may be reimbursable to the employer, insurer, or health plan. Details regarding the process for this credit under the Health Trust program are still unfolding.

If you were *involuntarily terminated* from employment on or after September 1, 2008 and think you may qualify for the reduced premium amount, please indicate your termination date on the COBRA election form. As the Health Trust refines our procedures, additional information and/forms may be required.

Employees terminated from employer groups with less than 20 active employees may not be eligible for a reduced premium.

- **Where can I obtain more information?**

www.mmeht.org – The Health Trust website will provide links to official sources and notices. Please click “*What’s New*” on the home page and select COBRA/ARRA.

www.dol.gov/COBRA – The Employee Benefits Security Administration’s dedicated website.

As more information becomes available from official sources such as Health and Human Services, the Department of Labor, and the Internal Revenue Service, the Health Trust will provide updates on our website and directly as appropriate. Please feel free to contact a Health Trust Billing and Enrollment Representative at 1-800-452-8786 or htbilling@memun.org with any questions.