

HOW TO UNDERSTAND



The COBRA Subsidy

Affordable COBRA

For workers who were involuntarily terminated between September 1, 2008 and May 31, 2010, the government will subsidize 65% of their premiums under COBRA for fifteen months. This subsidy also applies to healthcare continuation coverage if required by the state.

2nd Chance for COBRA

For workers who were involuntarily terminated between September 1, 2008 and the day the stimulus Law goes into effect, and who did not sign up for COBRA, will get an additional 60 days to do so and receive the subsidy. This special election period opportunity does not apply to coverage sponsored by employers with less than 20 employees that is subject to State law.

Employer Notification

Within 60 days of enactment, the Employer or COBRA Administrator shall provide an additional notification to any Assistance Eligible Employee who became entitled to elect COBRA before enactment of this Law.

Tax Credit for Employers

To offset the employer's expense, the employer may take a full tax credit for its expenditures out of its payroll taxes including both income tax withholding and FICA.

High Income Exclusion

If the modified adjusted gross income (AGI) of a participant exceeds \$125,000 a year, or a family's AGI exceeds \$250,000, their income tax will be raised by the premium reduction amount – effectively removing the subsidy.

Plan Options

Qualified Beneficiaries (QBs) under the stimulus will have the option to change plans to another product offered by the Employer with the following requirements:

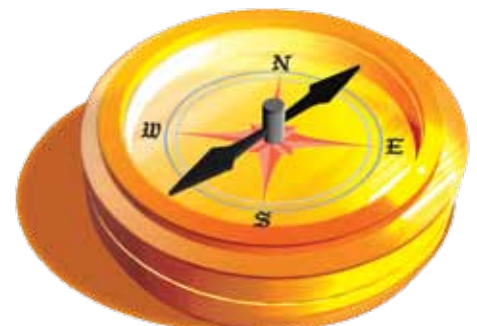
- Employer agrees to allow QBs to enroll in different coverage
- The selected plan does not exceed the premium for coverage in which the individual was enrolled at the time the qualifying event occurred
- Plan cannot be Dental, Vision, Counseling, Referral or FSA
- Coverage is also offered to active employees

To Apply

Contact your former employer to apply for the COBRA Subsidy.



*Helping people navigate
their health care options*



Did Your COBRA Subsidy Expire Today?

COBRA is a law that protects you and your family if you lose your employer-sponsored health benefits. If you qualify for COBRA coverage, then you have the option of continuing your employer-sponsored health plan for a limited period of time (18 to 36 months). COBRA can provide important protection for people who have pre-existing medical conditions. You should carefully consider COBRA coverage if you or a member of your family are currently pregnant, have a pre-existing health condition, are taking prescription medications, or have been declined for private health insurance.

However, if you and your family are relatively healthy, you may be able to purchase a comparable individual or family health insurance plan for a lot less money. In addition, since COBRA coverage is available to the unemployed, your lower income status may make your children under age 18 eligible for a low-cost government-subsidized program. As a consumer, you need to know your COBRA Strategy:

Consider continuing COBRA if:

- You are pregnant or plan to become pregnant within the COBRA coverage period
- You have a pre-existing medical condition
- You are taking prescription medications, need to undergo a medical procedure in the near future, or need extensive medical care
- You have recently been declined for private health insurance

Options after COBRA

- HIPAA. Once a person has exhausted COBRA benefits or the company plan expires, i.e. the company goes out-of business or discontinues the health plan, the person is eligible for an individual plan under the HIPAA(Health Insurance Portability and Accountability Act), even with pre-existing health conditions. For more information, contact the state Department of Insurance.

Consider purchasing an individual/family plan if:

- You are in relatively good health
- The COBRA option is too expensive
- You are seeking health insurance coverage beyond the COBRA term (typically 18 months)

Consider the Health Insurance Premium Payment (HIPP) if:

- The COBRA option is too expensive the state will pay the premium for you if you qualify for Medi-Cal or Medicaid. HIPP is available in California, Pennsylvania, Nebraska, Iowa and Alabama.

Consider a free or low-cost public sponsored program if:

- Your family income meets the eligibility requirements. For Example:
 - o If you are a family of 4 in California you can make up to \$55,125 and still have your children qualify for Healthy Families.
 - o If you are pregnant and live in California you can make up to \$66,150 and still qualify for Access for Infants and Mothers.

You can Mix & Match!:

- Mix and match your COBRA coverage with individual and public sponsored alternatives. For example:
 - o If you have a pre-existing condition, you can choose COBRA coverage for yourself but find a less expensive individual plan for your spouse and a public sponsored program for your children.



**Take the Eligibility Quiz
to learn your options.
Call our U.S. Uninsured Help Line:
(800) 234-1317**