

Fact SHEET



Q. Does the New York State Department of Labor handle the COBRA coverage?

A. No. In general, the Employee Benefits Security Administration of the United States Department of Labor oversees COBRA coverage. You can get information by telephone or their website. Employers with less than 20 employees are covered under New York's mini-COBRA law, and information is available from the New York State Department of Insurance.

US DOL: 1-866-444-3272 or <http://www.dol.gov/cobra>
NYS DOI: 1-800-342-3736 or <http://www.ins.state.ny.us>

Q. Wasn't Health Insurance for the unemployed a part of the federal stimulus legislation?

A. That is correct. If you lose/lost your job between September 1, 2008 and December 31, 2009, you may be eligible for a subsidy covering 65% of your COBRA health insurance premium for a nine-month period of time. Also, if you did not elect COBRA coverage when you lost your job, or you subsequently dropped coverage, you may be eligible to enroll/re-enroll in COBRA and receive the nine-month subsidy.

Q. Is the New York State Department of Labor providing this health insurance?

A. No, your former employer is required to offer this continued health insurance coverage, commonly called COBRA.

Q. If I never had employer sponsored health insurance does this help me? Can I enroll to get the subsidy?

A. No. COBRA and the subsidy are only available to persons who had employer-sponsored group health insurance. You may be eligible for the Healthy NY program, which promotes access to quality health care by providing comprehensive health insurance to those citizens who need it most. Contact Healthy NY toll free at 1-866-HEALTHY NY (1-866-432-5849).

Q. When will I be notified regarding changes to my premiums or my opportunity to re-enroll in COBRA?

A. Your former employer or their health plan administrator must notify you, no later than April 18, 2009.

COBRA Subsidy Information for Workers

Q. Do I have to apply?

A. Yes. Your former employer or their health plan administrator will send you all the required forms. You will have to complete a "**Request for Treatment as an Assistance Eligible Individual**" form. If you do not currently have COBRA coverage you must also complete a "**COBRA Continuation Coverage Election Form.**"

Q. What if I apply and my former employer denies the subsidy?

A. If you are denied, you may request an expedited review of the denial by the U.S. Department of Labor. The Department must make a determination within 15 business days of receiving your request for review. The Department is currently developing the appeals process and an official application form. Contact the Employee Benefits Security Administration of the United States Department of Labor at 1-866-444-3272

Q. I have been enrolled in COBRA coverage since December 2008. Will I receive a refund of 65% of all the premiums that I have already paid?

A. No. The premium reduction provisions apply only to premiums for coverage on or after February 17, 2009. If you were eligible for the reduction but paid in full for periods of COBRA coverage beginning on or after February 17, 2009, you should contact the plan administrator or employer sponsoring the plan to discuss a credit or refund.

Q. Are my beneficiaries or former beneficiaries eligible to participate in the subsidy?

A. Yes, the following persons can continue COBRA coverage:

- Your spouse or former spouse;
- Your dependent child/children who was/were covered under the Plan on the day before your job loss; and
- A child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan.

Q. When do lower premiums take effect?

A. Lower COBRA premiums affect premiums due on or after February 17, 2009. Your employer or their health plan administrator will notify you of the new rates.

Q. Should I keep making my current COBRA premium payments?

A. Yes, you should continue making payments according to the bills you receive, or the amount you were previously told to pay. Do not change the amounts you pay until they tell you to pay a different amount.

Q. How does the 65% premium subsidy get paid to me?

A. You will not receive a payment. The subsidy goes to the employer because you will pay only 35% of the COBRA premium for the period of coverage. The remaining 65% of the premium is reimbursed directly to your former employer, plan administrator, or insurance company through a payroll tax credit.

Q. How long does COBRA coverage last?

A. Your former employer must offer COBRA coverage for up to 18 months following your layoff or job termination. Some employers may offer longer periods of coverage. The subsidized premiums at 35% cost will last for nine (9) months of coverage.

Q. What if my employer doesn't notify me regarding reductions in my COBRA premium?

A. You should contact your employer or their health plan administrator. If you cannot resolve the issue with them, contact the Employee Benefits Security Administration of the United States Department of Labor at 1-866-444-3272 or the New York State Insurance Department at 1-800-342-3736.

Q. Can I get a less expensive plan from my former employer?

If an employer offers additional plans to active employees, the employer may (but is not required to) allow you to switch the coverage options you had when you became eligible for COBRA. To stay eligible for the 35% premium reduction, you must select a plan with a premium that is the same or lower than your original coverage.

Q. What if I terminated my COBRA coverage or never participated in COBRA when it was offered?

A. If you lost your job on or after September 1, 2008 and did not elect COBRA coverage, or if you elected to participate and later dropped COBRA, you may re-enroll.

Q. Is there a limit to the amount of the subsidy?

A. If you are eligible, the program will cover 65% of your COBRA premiums for up to nine (9) months. There is no dollar limit on the subsidy you will receive.

Q. What if I quit my job or I am fired?

A. In most cases, persons who quit or voluntarily leave their jobs would not be eligible for the subsidy. A person who is fired would generally be eligible for the subsidy, except for persons who are fired for gross negligence. Persons fired for gross negligence are generally ineligible for COBRA.

Q. What if my UI Benefits stop, will my COBRA stop?

A. There is no relationship between your entitlement to COBRA and to UI benefits. COBRA continues as long as you have no entitlement to an employer-sponsored group health plan or Medicare. You will lose the subsidy if your UI benefits have stopped because you obtained a new job AND your new employer offers group health coverage.

Q. What if my former employer went out of business or cancelled their health plans?

A. In that case, neither COBRA nor the subsidy is available to you. You may be eligible for the Healthy NY program, which promotes access to quality health care by providing comprehensive health insurance to those citizens who need it most. Contact Healthy NY at toll free at 1-866-HEALTHY NY (1-866-432-5849).

Q. Are there any income limits that affect my eligibility?

A. If the amount you earn for the year is more than \$125,000 (or \$250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year.

Q. How can I find additional information on COBRA?

A. You can get information on COBRA from your former employer, their health plan administrator, the United States Department of Labor's Employee Benefits Security Administration, and/or the New York State Department of Insurance.

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