



SITZMANN ▪ MORRIS ▪ LAVIS

TO: Clients of Sitzmann Morris & Lavis, Inc.

RE: COBRA Subsidy Extension Model Notices

The Department of Labor (DOL) has published model notices for use by employers to notify individuals of the extension provisions of the 2010 Department of Defense Appropriations Act (DOD Act). Each model notice is designed for a particular group of qualified beneficiaries and contains information to help satisfy ARRA's notice provisions, including those added by the DOD Act.

Action Plan

Prepare and make mailings:

- a. [General Notice](#): To all qualified beneficiaries who experience a qualifying event between September 1, 2008 through February 28, 2010, who have not yet received an election notice. Deadline: 44 days after employer receives notice of QE (same timeline as before ARRA).

NOTE: Employees with QE's in December likely were not provided proper notice. These individuals should get the updated General Notice and the full 60 days from the date of the updated notice to make a COBRA election.

General Notice – CA: For California plans we have provided the notice with the California extension language included. If your plan is contracted in California use this notice.

- b. [Premium Assistance Extension Notice](#):
 1. To Assistance Eligible Individuals (AEI) as of October 31, 2009 and individuals who experienced a termination of employment on or after October 31, 2009 and lost health coverage. Deadline: February 17, 2010.
 2. To individuals in a "transition period". This is the period that begins immediately after the end of the premium reduction available under ARRA prior to its amendment (generally nine months). An individual is in a transition period only if the premium reduction provisions would continue to apply due to the extension from nine to fifteen months and they remain eligible. Deadline: Within 60 days of the first day of the transition period. For example, an AEI who lost their subsidy as of 11/30/09 must receive this notice by 1/30/10.

Summary of Notices

Notice	Recipient
<p>General Notice. Includes information on the premium reduction as well as information required in a COBRA election notice.</p>	<p>All qualified beneficiaries who experience a QE between Dec. 17, 2009 and Feb. 28, 2010.</p>
<p>Premium Assistance Extension Notice. Includes information about the changes made to the premium reduction provisions of ARRA by the 2010 DOD Act.</p>	<p>Deadline: 44 days after receiving notice of QE AEI's as of October 31, 2009 and individuals who experienced a termination of employment on or after October 31, 2009 and lost health coverage. Deadline: February 17, 2010</p>
	<p>To individuals in a "transition period". This is the period that begins immediately after the end of the premium reduction available under ARRA prior to its amendment (generally nine months). An individual is in a transition period only if the premium reduction provisions would continue to apply due to the extension from nine to fifteen months and they remain eligible. Deadline: Within 60 days of the first day of the transition period.</p>

State continuation coverage

The DOL has provided an Updated [Alternative Notice](#) to be used by carriers and insurance issuers to notify those eligible under state continuation laws. California carriers will continue to be responsible for both the notice and subsidy requirements.

Please contact your SML Account Team if you have any questions.