

# Arkansas Insurance Department

Mike Beebe  
Governor



Jay Bradford  
Commissioner

**BULLETIN NO. 5A-2009**

**TO: ALL LICENSED INSURANCE COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS, HOSPITAL MEDICAL SERVICE CORPORATIONS, NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, AND OTHER INTERESTED PARTIES,**

**FROM: ARKANSAS INSURANCE DEPARTMENT**

**SUBJECT: FEDERAL STIMULUS BILL - GROUP HEALTH COVERAGE CONTINUATION SUBSIDY**

**DATE: December 28, 2009**

On December 19, 2009, President Obama signed into law an act that extends the COBRA subsidy for individuals terminating from employment between January 1, 2010 and February 28, 2010. Under the existing law, the eligibility date for termination of employment was December 31, 2009.

In addition, the COBRA subsidy has been extended from 9 months to 15 months. **The subsidy for individuals under the state group continuation coverage will remain at 120 days.**

The new law also allows eligible individuals who exhausted the 9 month COBRA subsidy period and then dropped COBRA coverage to retroactively elect COBRA coverage for up to an additional 6 months. These individuals will receive the subsidy for this coverage.

Individuals that exhausted the 9 month COBRA subsidy and continued to maintain COBRA coverage by paying the full COBRA premium may receive a payment or credit for any premiums paid above the 35% required amount.

Group health plans will also be required to provide new notices of the extension and retroactive COBRA elections. Group health plans should go to the U.S. Department of Labor's website for new model notices and the accompanying instructions.

Attached is a revised "Arkansas State Group Continuation of Coverage Election Form".

  
JAY BRADFORD  
ARKANSAS INSURANCE COMMISSIONER

12-28-09  
DATE

**SUBMIT THIS FORM TO: [Insert Insurer Name ,  
Address & telephone number]**

## Arkansas State Group Continuation Coverage Election Form

Employee's Name: \_\_\_\_\_ ID #: \_\_\_\_\_

Dependent Name(s): \_\_\_\_\_ Former Employer: \_\_\_\_\_

\_\_\_\_\_ Insurer \_\_\_\_\_

\_\_\_\_\_ Group #: \_\_\_\_\_

The State of Arkansas Continuation Law (A.C.A. §23-86-114) allows a former employee or former dependent to extend their group health insurance coverage for up to one hundred twenty (120) days. In order to be eligible for this option, the former employee or dependent must have been continuously covered under the group health insurance policy for at least three (3) consecutive months prior to employment termination or change in dependency status and must make the election by notifying the insurer no later than 10 days after employment termination or change in dependency status. The group health insurance premium must be paid in full by the former employee or dependent to the employer (policyholder) as specified below. ***In the event extension of coverage is due to involuntary termination of employment on or after February 17, 2009 and prior to February 28, 2010, the insurance premium due from the former employee will be 35% of the group health insurance premium.*** Failure to pay this premium will result in cancellation of coverage for the employee and/or any dependents.

- I, \_\_\_\_\_, wish to continue my group health insurance coverage under the State of Arkansas Continuation Law beginning \_\_\_/\_\_\_/\_\_\_.
- I am requesting continuation of my group health insurance coverage because of involuntary termination of employment.

The premium amount of \$ \_\_\_\_\_ must be paid on the first of each month to my former employer beginning \_\_\_/\_\_\_/\_\_\_ or my coverage will be terminated. ***If continuation is due to my involuntary termination of employment on or after February 17, 2009 and prior to February 28, 2010, the insurance premium due from the former employee will be 35% of the above stated premium amount.*** This continuation of coverage shall terminate on the earliest of:

- One hundred twenty (120) days after the extended coverage begins;
- The date the former employee or dependent fails to make any premium payments to the former employer or the date the former employer fails to pay the premium to the insurer;
- The date on which the former employee or dependent becomes eligible for Medicare;
- The date on which the former employee or dependent is covered for similar benefits under another group or individual policy;
- The date on which the former employee or dependent is eligible for similar benefits under another group plan whether insured or uninsured;
- The date on which similar benefits are provided for, or available to, the former employee or dependent under any state or federal law; or
- The date on which the group policy terminates.

- I have read the statements above and do not wish to continue group health insurance coverage under the State of Arkansas Continuation Law (A.C.A. §23-86-114), for myself and/or any eligible dependents.

\_\_\_\_\_  
Signature of Employee

\_\_\_\_\_  
Date of Signature

\_\_\_\_\_  
Signature of Group Administrator

\_\_\_\_\_  
Date of Signature