

March 30, 2009

To All Direct Bill COBRA Participants

This letter is being sent to explain the changes that have been made to COBRA.

On February 17, 2009 President Obama signed into law the American Recovery and Reinvestment Act of 2009.

The Act provides:

1. For a government subsidy up to 65% of COBRA premiums (including state mini – COBRA coverage) to certain eligible individuals ... known as assistance eligible individuals. State Mini-COBRA covers groups with less than 20 employees.
2. That the COBRA subsidy applies only to individuals who are eligible for COBRA due to an involuntary termination from employment from September 1, 2008 through December 31, 2009.
3. That the COBRA subsidy applies for a maximum of nine (9) months of coverage ... beginning on March 1, 2009.

If the employee was a direct billed COBRA participant and already paid the total COBRA premium for March and maybe April, the employee must notify the employer.

Please check with your employer to see if you are eligible. Sole proprietors should check with legal counsel.

Thank you,
LIA Health Alliance