

Brief Notes

News for
Brokers and Consultants

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3 Penn Plaza East, Newark, NJ 07105-2200

Applies to: All Markets

Information Regarding Changes to New Jersey Continuation and COBRA

On February 17, 2009, President Obama signed into law the American Recovery and Reinvestment Act (ARRA). Provisions of this act affect the Consolidated Omnibus Budget Reconciliation Act (COBRA) coverage for employees involuntarily terminated between September 1, 2008 and December 31, 2009, who are otherwise eligible for COBRA. The Act provides a subsidy of 65 percent of the COBRA premiums for a maximum nine-month period for eligible individuals. It also provides a subsidy for eligible former employees of employers subject to state continuation as described below.

For groups with two to 19 employees:

Horizon Blue Cross Blue Shield of New Jersey is required, by law, to notify former employees of New Jersey Eligible Continuation Groups about their coverage options and responsibilities. Former employees terminated on or after September 1, 2008 will receive a letter from us on or about April 18, 2009 explaining their rights and responsibilities, as well as the forms they need to complete for coverage election. Terminated employees must complete the following forms and mail them, along with the *Employer Information and Verification Form*, to their former employer:

- ▶ *New Jersey Continuation Election Form.*
- ▶ *Form for Switching Plan Options* (if applicable).
- ▶ *Request for Treatment as an Assistance Eligible Individual.*

The employer must then validate the information on the forms and send the entire packet to Horizon BCBSNJ.

For groups with 20+ employees who purchase our COBRA Elect services:

Horizon BCBSNJ is notifying former employees of groups that are COBRA Elect about the changes to COBRA and their options. These affected former employees are required to complete the *Application for Treatment as an Assistance Eligible Individual Form* and return it to their former employer. The employer must then validate the information and send the entire packet to Horizon BCBSNJ. Employers are responsible for keeping copies of the forms in order to file for a tax credit from the government.

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Need more information?

For additional information regarding the New Jersey Continuation Stimulus Act, *click here* for the New Jersey Department of Banking and Insurance Web site. For information related to COBRA, *click here* for the U.S. Department of Labor Web site.

Please contact your sales representative or account manager if you have any questions about these changes or if you would like more information about Horizon BCBSNJ's individual health care products, which may, in some cases, be more affordable for affected individuals than the COBRA offering.