

# Fact Sheet



U. S. Department of Labor  
Employee Benefits Security Administration  
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## **COBRA premium subsidy expiring? Follow these TIPS to make sure you don't lose coverage**

The American Recovery and Reinvestment Act (ARRA) provided a COBRA premium reduction for eligible individuals who were involuntarily terminated from employment through May 31, 2010. Individuals who qualified on or before May 31, 2010 may continue to pay reduced premiums for up to 15 months, as long as they are not eligible for another group health plan or Medicare. Those individuals who qualified for the premium reduction were only required to pay 35 percent of the COBRA premium otherwise due to the plan. **If your COBRA continuation coverage lasts for more than 15 months, you will need to pay the full amount to continue your COBRA continuation coverage.**

### **✓ Make sure you know when your 15 months of premium assistance ends and how much you need to pay to continue your coverage**

If you are unsure about the correct ending date or the amount of the full premium, contact your plan right away so that you can make sure you pay the correct amount for the correct time period. Plans are not required to remind you or bill you for the increased amount and not making the full payment within the correct time period can result in the cancelation of your COBRA coverage.

### **✓ Make sure you pay the full premium for coverage after the first 15 months**

It is very important to pay the remaining 3 months of COBRA at 100% of the premium amount if at all possible, as you lose some health coverage rights or options if your COBRA is terminated for non-payment. Individuals who exhaust their COBRA are generally eligible to obtain coverage through state high risk pools and also qualify for special enrollment in a new employer's plan or spouse's plan. These rights are lost if an individual's COBRA is terminated for non-payment. (Note: If a person becomes eligible for coverage in a new employer's plan or spouse's plan, they lose eligibility for the subsidy and are required to notify their COBRA provider of their eligibility for the other coverage.)

### **✓ Check for other coverage options**

If you did not make the premium payment on time and your coverage was canceled, you may want to contact your plan and ask if they will reinstate your coverage. However, if your coverage was terminated for not making the payment within the grace period, the plan is not required to reinstate your coverage. *If you believe your coverage was canceled inappropriately, please contact an EBSA Benefits Advisor at 1-866-444-3272 for possible assistance.*

If you have lost coverage, and are not eligible to enroll in a new employer's plan or a spouse's plan, you may want to contact your state department of insurance to get information about obtaining an individual policy. You may be able to cover your children under your state's Children's Health Insurance Program- call 1-877 KIDS NOW (1-877-543-7669) or go to [www.insurekidsnow.gov](http://www.insurekidsnow.gov) to find out about eligibility and enrollment.

Additionally, the Affordable Care Act provides that plans or issuers that make available coverage to dependent children must make such coverage available for children up to age 26. Because this provision has a varying applicability date, contact the plan to see if such coverage is available. The Affordable Care Act also established Pre-existing Condition Insurance Plans (PCIP) for those with pre-existing conditions. For information about how these plans work, go to [www.healthcare.gov](http://www.healthcare.gov).

If you have limited income and resources (assets), you may want to contact your state to determine if you are eligible for Medicaid or other programs that may assist you in obtaining assistance with health coverage.