



MASSACHUSETTS

July 2009

Dear Business Partner:

This notice applies to your business only if it is subject to Massachusetts mini-COBRA laws.¹
There is a new amendment that requires your immediate action.

As we mentioned in the March issue of *Important Administrative Information (IAI)*, the American Recovery and Reinvestment Act (ARRA), signed into law on February 17, 2009, allows for a subsidy of COBRA and mini-COBRA premiums for employees involuntarily terminated from employment between September 1, 2008 and December 31, 2009. These “assistance eligible individuals” will only be required to pay 35 percent of their COBRA or mini-COBRA premiums for a period of up to 9 months. The remaining 65 percent of the COBRA or mini-COBRA premium will be reimbursed by the federal government to employers or health plans through payroll tax credits.

On July 2, 2009, an amendment to the Massachusetts mini-COBRA statute was signed into law affecting the mini-COBRA election and subsidy requirements. The amendment allows an additional mini-COBRA election period for individuals who are eligible for the ARRA premium subsidy but are not currently enrolled in mini-COBRA. These individuals may now elect continuation coverage under mini-COBRA and apply for the ARRA premium subsidy.

Immediate Action Required

The amendment requires that individuals be notified of the new opportunity to elect mini-COBRA coverage and the availability of the ARRA premium subsidy. Notices must be sent by you within 60 days after July 2, 2009. Individuals then have an additional 60 days from the date they receive the notification to elect mini-COBRA and apply for the ARRA subsidy. Coverage elected during this extended period will commence with the first period of coverage beginning on or after July 2, 2009.

Under the terms of our Premium Account Agreement, you are required to send the notices to affected individuals. To assist you in meeting the notification requirements, we have posted two additional model notices, with instructions, to the Blue Cross Blue Shield of Massachusetts website at www.bluecrossma.com/employer.

Individuals to Contact

You should immediately identify all former employees (and their dependents) whose employment was terminated involuntarily between September 1, 2008 and February 16, 2009, and either (i) did not elect mini-COBRA coverage initially or (ii) elected mini-COBRA coverage but are no longer enrolled. You must send a new mini-COBRA election notice by August 31, 2009 to all former employees who were terminated involuntarily (between September 1, 2008 and February 16, 2009) in order to give them this second opportunity to elect mini-COBRA coverage and to apply for the ARRA subsidy.

1. Generally, insured groups with 2 to 19 employees (that are not otherwise subject to federal COBRA) are subject to Massachusetts mini-COBRA.

(continued)



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Form to Be Used

As indicated on the reverse of this page, we have posted two additional model notices, with instructions, to the Blue Cross Blue Shield of Massachusetts website at www.bluecrossma.com/employers. **The new notice must be mailed in addition to any notices you may have already sent.**

Going forward, you should continue to follow the instructions we provided in the previous mini-COBRA letter we sent you in June. You should continue to utilize the Mini-COBRA Continuation Coverage Election and Subsidy Notice for all events through December 31, 2009 that qualify an individual for mini-COBRA coverage. In other words, the additional election period requires a new notice for affected individuals but it does not replace the existing notification requirements.

Once you receive the completed forms from the individuals, please review the applications and approve or deny the Request for Treatment as an Assistance Eligible Individual form.

Please forward a copy of all forms (approvals and denials) to the address below:

Blue Cross Blue Shield of Massachusetts
P.O. Box 9145
North Quincy, MA 02171

If the request is denied, you should complete the bottom portion of the form and return the form to the individual. Please note that individuals who are denied the ARRA premium subsidy may appeal the denial to the Centers for Medicare and Medicaid Services (CMS).

Submission of this form does not constitute a re-enrollment of this member into your plan. Please continue to follow your standard enrollment process for re-enrolling your mini-COBRA member.

All subsidy forms should be immediately forwarded to Blue Cross Blue Shield of Massachusetts in order for us to identify the affected members. Blue Cross Blue Shield of Massachusetts will continue to invoice your account for the full premium amount for each subscriber enrolled in your plan. Once you have identified the assistance eligible individuals and submitted the "Request for Treatment as an Assistance Eligible Individual Form," your premium payments will be adjusted for the subsidized amount. Upon receipt of this form, you will be contacted and provided additional information regarding the payment and subsidy process.

This letter is for informational purposes and does not contain legal advice. We suggest you consult with your legal counsel for advice about ARRA or other legal requirements that may affect your business.

Sincerely,

A handwritten signature in black ink that reads "Timothy J. O'Brien".

Timothy J. O'Brien
Senior Vice President
Sales Division