



Office of Employer and Member Health Services
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April 18, 2009

Name
Address
City, State, Zip

Subject **Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) Premium Reduction Provisions under the American Recovery and Reinvestment Act of 2009 (ARRA)**

Background **This notice contains important information about additional rights you may have related to the continuation of your health care coverage or to your COBRA continuation coverage. Please read the information contained in this notice very carefully.**

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The ARRA reduces the COBRA premium in some cases. You are receiving this notice because you experienced a loss of coverage at some time on or after September 1, 2008 and either: 1) chose to elect COBRA continuation coverage; 2) did not choose to elect COBRA continuation coverage at that time; or 3) elected COBRA continuation coverage but subsequently discontinued that coverage.

If your loss of health coverage was due to an involuntary termination of employment and you chose *not* to elect COBRA continuation coverage or elected COBRA continuation coverage but subsequently discontinued that coverage, you may be eligible for a second COBRA election opportunity and temporary premium reduction allowed under ARRA towards your COBRA premiums for up to nine months. Alternatively, if your loss of health coverage was due to an involuntary termination of employment and you *did* elect COBRA continuation coverage, you may be eligible for a temporary COBRA premium reduction allowed under ARRA for up to nine months.

**Background
(cont.)**

To help determine whether you can get the ARRA premium reduction, you should read this notice and the attached documents carefully. In particular, reference the “Summary of the COBRA Premium Reduction Provisions under ARRA” (Attachment A) with details regarding eligibility, restrictions, and obligations. You should also reference the “Request for Treatment as an Assistance Eligible Individual” (Attachment C).

If you believe you meet the criteria for the premium reduction, complete the “Request for Treatment as an Assistance Eligible Individual” (Attachment C), and return it to your former employer, from which your involuntary termination from employment occurred.

Matrix

Please reference the “Summary of the COBRA Premium Reduction Provisions under ARRA” (Attachment A) to determine if you meet the definition of an Assistance Eligible Individual, then use the below matrix to determine the appropriate form to use.

If you meet the definition of an Assistance Eligible Individual and...	See page
Chose not to elect COBRA continuation at the time of your involuntary termination, or you elected COBRA but subsequently discontinued coverage, you may be eligible for a second COBRA election opportunity	3
Enrolled in COBRA continuation coverage and are currently covered, you may be eligible for the ARRA premium reduction for up to nine months	4

COBRA Continuation Coverage Election

COBRA Continuation Coverage

If you meet the definition of an Assistance Eligible Individual and experienced a loss of health coverage due to an involuntary termination of employment at some time on or after September 1, 2008 and you are **not** currently enrolled in COBRA continuation coverage, you may be eligible for a second COBRA election opportunity. In addition, you may be eligible for the temporary ARRA premium reduction for up to nine months.

Electing Coverage

To elect COBRA continuation coverage, complete the “COBRA Continuation Coverage Election” (Attachment B) and submit it to your former employer, from which your involuntary termination from employment occurred.

If you do not submit a completed “COBRA Continuation Coverage Election” (Attachment B) to your former employer within 60 days of receiving this notice, you will lose your right to elect COBRA continuation coverage.

ARRA Premium Reduction

If you elect COBRA continuation you may also be eligible for the ARRA premium reduction for up to nine months. Refer to page 4 for additional instructions on completing and submitting the “Request for Treatment as an Assistance Eligible Individual” (Attachment C).

Where to Mail Completed form

Complete and return the “COBRA Continuation Coverage Election” (Attachment B) to your former employer from which your involuntary termination occurred.

Contact Information

For additional information regarding electing COBRA continuation coverage, please contact your former employer. If you need additional information, please contact CalPERS at **888 CalPERS** (or **888-225-7377**).

For general information about the ARRA Premium Reduction, please visit U.S. Department of Labor website at www.dol.gov/COBRA , or call directly at 1-866-444-EBSA (3272).

ARRA Premium Reduction

ARRA Premium Reduction

If you meet the definition of an Assistance Eligible Individual and experienced a loss of health coverage due to an involuntary termination of employment at some time on or after September 1, 2008 and are currently enrolled in COBRA continuation coverage or are now electing COBRA continuation coverage, you may be eligible for a temporary COBRA premium reduction allowed under ARRA for up to nine months.

Qualifying for Premium Reduction

If you qualify for the premium reduction, you need only contribute 35 percent of the total COBRA premium otherwise due to the plan. This premium reduction is available for up to nine months. If your COBRA continuation coverage lasts for more than nine months, you will then be required to pay the full amount of the COBRA continuation premium to continue your COBRA continuation coverage. To take advantage of the premium reduction for up to nine months, complete the "Request for Treatment as an Assistance Eligible Individual" (Attachment C).

Mail Completed form

Complete and return the "Request for Treatment as an Assistance Eligible Individual" (Attachment C) to your former employer, from which your involuntary termination from employment occurred.

Contact Information

For additional information regarding eligibility for the ARRA premium reduction please contact your former employer. If you need additional information, please contact CalPERS at **888 CalPERS** (or **888-225-7377**).

For general information about the ARRA Premium Reduction, please visit U.S. Department of Labor website at www.dol.gov/COBRA or call directly at 1-866-444-EBSA (3272).

Sincerely,



Holly A. Fong, Chief
Office of Employer and Member Health Services