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## PRESIDENT PASSES COBRA EXTENSION

The U.S. Senate and the President have acted quickly to pass legislation extending the COBRA subsidy. The new law does the following:

1. Extends the eligibility period from December 31, 2009 through February 28, 2010.
2. Extends the reimbursement period from 9 months to 15 months, and is retroactive to March 1, 2009.
3. Allows those who stopped paying COBRA coverage because their subsidy ran out to re-enroll in COBRA under the subsidy extension without any gaps in coverage.

The law also requires employers to notify current and future COBRA beneficiaries of the extension.

It did not take long for this legislation to go from the House to the Senate to the President's desk. The House passed the bill on Wednesday, the Senate passed it on Saturday as part of the defense spending package, and the President signed it into law today. While the law does answer a lot of questions, some still remain. Among those remaining:

1. How should employers bill those participants who are losing their subsidy at the end of this month?
2. What kind of notice do employers need to get to current and future COBRA participants, and when does this information need to be sent out?
3. Some states have mini-COBRA coverage (COBRA coverage for groups not large enough to qualify for the federal law). Most of those states have passed legislation that mirrors the COBRA subsidy legislation. Will those states continue to do so with this new law?

We expect answers to these and other questions to emerge within the next few weeks. Savitz will continue to notify you as this information becomes available.

*Please contact The Savitz Organization if you have questions.*