



United Service Association For Health Care (USA+) is a non-profit corporation chartered in Washington, D.C., in 1983. In November of 1987, the USA+ Membership program became one of the first group association Benefit Programs set up to provide the small business owner, his family and employees with a quality benefits package previously available only to employees of large corporations.

USA+ is committed to the promotion of equal access to health care for all citizens of the United States, but more specifically, for members of our association. We stay abreast of legislation proposed by state regulators that may have an adverse or favorable impact on our membership population. When necessary, we contact regulators in order to have an opportunity to convey the views of the association's members.

The early months of 2009 have resulted in much debate about health care reform. The federal government's economic stimulus package, which was approved Feb. 17, 2009, includes money to provide short-term help with paying health insurance costs for individuals that recently lost their job.

The program helps pay the monthly health insurance premium for individuals who involuntarily lose their jobs and qualify under federal COBRA law to continue their employer health plan for themselves and their family members. With this program, instead of paying the full cost, individuals pay 35 percent of the health insurance premium. The previous employer, plan administrator or insurer pays 65 percent and seeks reimbursement from the federal government as a credit against their payroll taxes or as a refund. If you are an employer, you should contact the Department of Labor or your attorney to be clear that you understand the following:

- How to calculate the subsidy
- Which health plans are covered (whether stand alone or "bundled")
- Which employers are covered by the law
- Who is eligible for benefits (specifics regarding "involuntarily terminated employee")
- How the payroll tax credit will work
- Income limitations

- Employer choice to allow benefit plan changes
- Treatment of domestic partners

This subsidy is good for up to nine months for those who worked for an employer with 20 or more employees and up to six months for people who worked for a small business with less than 20 employees.

Employees who are laid off from Sept. 1, 2008, through Dec. 31, 2009 are eligible for the subsidy. Individuals who quit their jobs and individuals that worked for a company that closed completely are not eligible for the subsidy.

Income qualifications for subsidies are as follows:

- **Full subsidy:** Individuals with modified adjusted gross incomes of less than \$125,000 (\$250,000 for joint filers).
- **Partial subsidy:** Individuals with modified adjusted gross income between \$125,000 and \$145,000 (\$250,000 and \$290,000 for joint filers).
- **No subsidy:** Individuals with modified adjusted gross income greater than \$145,000 (\$290,000 for joint filers).

If you are an employee and you lost your job on or after Sept. 1, 2008, your previous employer or health plan administrator must send information regarding the COBRA subsidies and applicable forms to you by April 18, 2009. You have **60 days** after you receive the notice to decide if you want to participate.

If you are already enrolled in COBRA, you are eligible for the subsidy starting Feb. 17, 2009. If you pay the full premium after this date you may be eligible for a refund or credit for 65 percent of what you paid. Premiums paid prior to February 17, 2009 are not eligible for reimbursement.

If your employer offers more than one health plan, the employer can give you the option to select a cheaper insurance plan than you had when you worked for the business. If you participate in the new subsidy program and you previously met your pre-existing condition exclusion period, you will not have any waiting periods for pre-existing conditions.

You are not eligible for the subsidy if you are eligible for any other group health plan or Medicare. Failure of notifying your employer of your eligibility under another group health plan could result in a tax penalty.

Additional information is available at <http://www.dol.gov/ebsa/cobra.html>. If you need any additional information, please feel free to contact us at 800-872-1187 or write to us at: USA+, P.O Box 200905, Arlington, TX 76006. And remember, together, we can make a difference.