



COBRA Subsidy Extension: eHealthInsurance Answers Transition Period Questions

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MOUNTAIN VIEW, CA, Jan 11, 2010 (MARKETWIRE via COMTEX) -- Thousands of American's subsidies for COBRA health insurance ended in November 2009, prior to the December 21, 2009 extension in The Department of Defense Appropriations Act of 2010. Today, eHealthInsurance.com (NASDAQ: EHTH), released an updated list of frequently asked questions (FAQs) for Americans in this situation, who are unsure about what to do now that the COBRA subsidy has been extended.

The people whose subsidies ended temporarily are now in what the Department of Labor calls a "Transition Period," which means:

-- They're enrolled in individual coverage (after dropping COBRA) and have questions about cancelling their individual plan and reenrolling in COBRA, or
-- They dropped their COBRA coverage when their premiums increased by 65 percent, and are now uninsured, or
-- They paid full-price for COBRA coverage in December (and possibly January) and have questions about getting a refund.

On December 21, 2009, the Department of Defense Appropriations Act of 2010, was signed into law and included a two-point extension of the original COBRA subsidy:

-- The duration of the subsidy has been extended from nine (9) months to fifteen (15) months.
-- The eligibility period has been extended to include those who become eligible for COBRA due to a lay off on or before February 28, 2010.

Subsidy recipients or candidates can calculate their remaining time on the COBRA subsidy using eHealthInsurance's COBRA Subsidy Calendar Widget located in either of the following locations:

-- eHealthInsurance's Media Center:
(<http://news.ehealthinsurance.com/pr/ehi/cobra-subsidy-widget.aspx>)
-- Or Widgebox.com (<http://www.widgebox.com/widget/cobra-subsidy-calendar-ehi>)

FAQs Regarding the Extended COBRA Subsidy:

Question: Now that the subsidy has been extended, should I re-enroll in COBRA?

Answer: If you're uninsured, you've done your homework and you know that COBRA is your only immediate option for health insurance coverage, yes, you should re-enroll in COBRA.

You should always try to have health coverage of some kind.

If you let your COBRA coverage expire, you have 30 days to reenroll in COBRA from the date that you're notified of the extension, and your ability to reenroll, by your benefits administrator. If you're currently uninsured, use the time you have to research all of your coverage options at a place like eHealthInsurance.com because COBRA is not a long-term solution. The subsidy only lasts fifteen (15) months and COBRA only lasts eighteen (18) months.

Question: I cancelled my COBRA coverage and enrolled in a private, non-group health insurance plan when my subsidy ended in November. Can I cancel my private policy and re-enroll in COBRA now that the subsidy has been renewed?

Answer: Yes, but that may not be your best long-term solution.

Enrollment in non-group coverage (an individual health insurance policy) does not negate your ability to reenroll in subsidized COBRA under the provisions of the DOD Act of 2010.

However, you will not be able to receive a refund for any premium payments you have already made on your individual health insurance policy.

It's worth pointing out that COBRA, even with the extended subsidy, is not a long term solution. COBRA only lasts 18 months. If you've enrolled in a private health insurance plan, you should consider staying on that plan because it is a long-term insurance solution that you can keep as long as you make your payments.

Question: I've heard that the subsidy was extended in the news, but I haven't heard anything from my benefits administrator. Will someone contact me to confirm that I'm still eligible?

Answer: Yes, someone should contact you.

The bill has been signed into law, but the department of labor is still working out the specific requirements for employers to make sure they follow proper notification procedures and adhere to specified timelines.

While those details are being processed, you should know that if you qualified for COBRA between September 1, 2008 through February 28, 2010, your benefits administrator will contact you -- probably by mail -- to make you aware of the nine (9) month subsidy and the six (6) month extension in the 2010 DOD Act.

If you lost your job, on or after October 31, 2009, and qualified for COBRA and the subsidy, you may have already received a notice informing you of the 9-month subsidy. Now that the extension has been passed, you should also receive a notice from your benefits administrator informing you of the subsidy's extension.

In either case, it's a good idea to contact your benefits administrator and let them know you're interested in reenrolling in subsidized COBRA.

Question: My subsidy ran out in November, so I cancelled my COBRA coverage. Can I re-enroll now that the subsidy has been renewed?

Answer: Yes.

If you reached the end of the subsidy period before the legislation extended it to fifteen (15) months, you'll have an extended grace period to pay your past due premiums.

You should receive instructions on how to reenroll from your plan's benefits administrator by the end of January, if not sooner.

To continue your coverage you'll have to pay 35 percent of the past due premium costs within 30 days after you've been notified of the subsidy's extension, or by February 17, 2010. It's likely you'll have to pay by whichever of the two dates listed comes later in the year.

Question: My subsidy ran out in November, so I paid full-price for my COBRA coverage in December. Will I get reimbursed for those costs?

Answer: Yes, in a way.

If you lost your subsidy and paid the full 100 percent premium in December 2009, contact your plan administrator or employer who sponsors your health insurance plan. Tell them you want to discuss a reimbursement of the overpayment or a credit for future months of coverage.

They'll have the ultimate authority to determine which of the two they'll provide you with, but they're required to provide you with one or the other.

Additional Resources:

- Be proactive about seeking a long-term alternative to COBRA by researching your health insurance options at a place like eHealthInsurance.com.
- If you've never purchased your own health insurance before, get help by contacting an agent or broker or by using free online resources like [eHealthInsurance's "Health Insurance Buyer's Guide."](#)
- Calculate the amount of time you have remaining on the COBRA subsidy using [eHealthInsurance's updated COBRA Subsidy Calendar widget](#).
- Test your understanding of key health insurance terms and benefits with [eHealthInsurance's health insurance quiz](#).
- If you have a pre-existing medical condition, talk to a licensed agent or contact the Foundation for Health Coverage Education at <http://www.CoverageForAll.org> to determine what free and low-cost health care options are available to you in your area.
- If you have medical debt or need help understanding your rights, [eHealthInsurance encourages you to review Families USA's consumer guide: Your Medical Bills: A Consumer's Guide to Coping with Medical Debt](#).

For more information about the COBRA subsidy and additional general COBRA FAQs, please see:

- [eHealthInsurance's March 25, 2009 Press Release](#):
<http://news.ehealthinsurance.com/pr/ehi/rel484940.aspx>
- [eHealthInsurance's COBRA Learning Center](#): www.cobralearning.com

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