**BULLETIN NO. 2010-01**
**TEMPORARY EXTENSION OF STATE CONTINUATION COVERAGE TO TAKE ADVANTAGE OF FEDERAL PREMIUM SUBSIDY**

**(Effective February 26, 2010)**

On February 25, 2010, Ohio HB 300 was enacted into law. HB 300 included provisions to amend sections 3923.38 and 1751.53 of the Ohio Revised Code on a temporary basis. These sections deal with state continuation (mini-COBRA) coverage for employees who involuntarily lose their jobs with small businesses. HB 300 included an emergency clause with respect to the mini-COBRA amendment and, consequently, these amendments take effect immediately.

In summary, the provisions in HB 300 that deal with mini-COBRA coverage under Ohio law do the following:

- Effective immediately for employer sponsored group insurance policies issued, delivered or renewed on or after February 25, 2010, continuation coverage under sections 3923.38 and 1751.53 of the Revised Code shall be 15 months of coverage, instead of 12 months of coverage.
- H.B. 300 affects only the duration of continuation coverage provided by Revised Code sections 3923.38 and 1751.53. All other provisions of these statutes remain in effect.
- The extension of mini-COBRA coverage to 15 months is temporary and lasts only as long as newly terminated employees are eligible for federal premium subsidies for COBRA and mini-COBRA coverage. When those federal subsidies are no longer available to newly terminated employees, the temporary law will end, and the Ohio law will return to 12 months of continuation coverage.

Currently, the mini-COBRA subsidy provided by the federal government provides premium assistance for 15 months for individuals who lost employment through February 28, 2010. It is likely that the federal government will extend the qualifying period beyond February 28, 2010. If the federal eligibility period for the subsidy is extended, which is anticipated to occur, the extended 15 months of mini-COBRA coverage will be available for as long as newly terminated employees are offered the federal subsidy.

A former employee who has already elected state continuation coverage and is eligible for the federal subsidy is entitled to up to 15 months of continuation coverage when the employer's policy renews. Pursuant to federal law, former employees should have received notice of the premium assistance extension by February 17, 2010 and should be allowed to pay past due premiums retroactively and maintain mini-Cobra coverage if they meet the federal requirements. A beneficiary covered under state continuation coverage prior to December 19, 2009 who lost coverage because his or her premium assistance expired, can resume the coverage by paying 35

percent of the premium for the prior months by no later than 60 days after December 19, 2009 or, if later, 30 days after receiving notice regarding the right to resume premium assistance coverage from the issuer or employer.

Because the change in duration of state continuation coverage from 12 to 15 months will be temporary and will affect policies issued, delivered or renewed on or after February 25, 2010, insurers will not be required to re-file continuation coverage policy language prior to use. However, carriers must file appropriate policy forms with the Department by March 25, 2010, such as policy riders or amendments that will be used to notify policyholders of the 15 months of mini-COBRA coverage resulting from this statutory change. Contact the Product Regulation Division of the Department of Insurance at (614) 644-2644 for further information.

If an employer has fewer than 20 employees, those employees receive continuation coverage under the state continuation law rather than the federal law. The state mini-COBRA law also applies to non-ERISA private and public employer self-insurance plans in Ohio.