Department of Labor Issues Updated Model COBRA Notices

As discussed in a previous Levenfeld Pearlstein Data Point, The American Recovery and Reinvestment Act of 2009 (the "Act"), which was the economic stimulus bill that was signed into law by President Obama on February 17, 2009, included several changes to the requirements for employer-sponsored health plan to provide continued coverage to terminated employees under COBRA. Among these changes is the requirement for employers who sponsor health plans to notify certain current and former participants of the plan about the availability of a subsidy for COBRA premiums and the ability to make additional COBRA elections.

On March 19, 2009, the U.S. Department of Labor ("DOL") issued model notices for employers to send those COBRA beneficiaries who are entitled to receive notice of these new COBRA changes under the provisions of the Act. The four model notices issued by the DOL and related guidance may be found at www.dol.gov/ebsa/COBRA.html. Each model notice is designed for a particular group of
COBRA "qualified beneficiaries" and contains information to help satisfy the Act's notice provisions.

We urge all employers who sponsor health plans which are subject to COBRA to review these notices to determine if they can be used or will need to be modified to address any particular plan administration issues and begin to use the form notices (as the same may be modified) for any "qualified beneficiaries" who became eligible for COBRA after the Act was passed. In addition, one of the model forms of notice will need to be sent to "assistance eligible individuals" who have special COBRA election rights under the Act by April 18, 2009.

The Labor and Employment attorneys at LP are happy to assist you in reviewing the new model forms of notices and to help you comply with the notice requirements of the Act.