

BGA LEGISLATIVE UPDATE



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Arizona KidsCare Program

The House Health Committee voted unanimously April 21, 2010 to direct \$9 million to the KidsCare Program, which under current law is due to expire on June 15, 2010. If approved by the full Legislature, the program would continue, but its reach would be limited—the enrollment freeze that's been in place since December, 2009 would remain.

Senate Bill 1403 also restores up to 310,000 single adults to the state's Medicaid program, Arizona Health Care Cost Containment System, if additional federal stimulus dollars arrive. Arizona expects about \$435.5 million from the stimulus. (As reported on Azcentral.com).

COBRA Subsidy Extended (again)

The Continuing Extension Act of 2010 was passed by both the U.S. Senate and U.S. House on April 15th and President Obama signed it into law the same day. This is a package of short-term extensions of several federal programs, including federal unemployment benefits and COBRA subsidies.

The previous extension of the 15-month, 65% federal premium subsidy for involuntarily terminated employees expired March 31. The Continuing Extension Act further extends the COBRA subsidy eligibility period by two months to May 31, 2010. Assistance-eligible individuals will be eligible for up to 15 months of the subsidy.

Individuals who experience an involuntary termination of employment on or after March 2, 2010, that follows a reduction in hours of employment occurring on or after September 1, 2008, are eligible for the subsidy program. Under COBRA there is no second qualifying event that follows a reduction in hours of employment. However, under ARRA, employers must report these second events.

Also, as in the previous extension, if the qualified beneficiary did not elect coverage as a result of their reduction in hours, the assistance-eligible individual would be entitled to elect COBRA as of the involuntary termination of employment, and any gap in coverage would be disregarded for purposes of pre-existing condition limitations.