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House Bill 2433 Health Care Premium Assistance

As more and more Oregonians experience the economic difficulties and emotional strains of losing their jobs, they often are faced with the additional burden of having to pay for health insurance on their own. The federal economic stimulus package, the American Recovery and Reinvestment Act of 2009 (ARRA), provides much-needed assistance by paying up to 65 percent of health insurance premiums for workers who lose their jobs. However, Oregon law prevented some individuals who worked for small employers from taking full advantage of this subsidy. House Bill 2433 changes the law to ensure Oregonians can receive the full benefit offered by the stimulus package, to help them manage through these challenging times.

When workers lose their jobs, they have the right to stay on their employer's health plan. For employers with 20 or more employees, this right is provided by the federal Consolidated Omnibus Budget Reconciliation Act, known as COBRA. For smaller employers, Oregon's "state continuation" law provides similar rights. In both cases, the former employees normally must pay the full cost of the insurance. Premiums can be extremely expensive, and affording them is particularly difficult for someone who has lost their job.

The stimulus package will pay up to 65 percent of premiums for workers who choose to continue group coverage either under COBRA or state continuation. For example, a family that may typically have to pay \$1,200 a month to continue an employer plan would pay \$420 monthly with the subsidy. A single employee who might typically have to pay \$400 monthly to keep his or her health insurance would pay \$140 a month with the subsidy.

The federal subsidy is available to former employees for nine months after they lose their job, but state law allowed Oregonians who worked for small employers to continue coverage through the state continuation plan for only six months. House Bill 2433 and rule making by the Department of Consumer and Business Services ensures that Oregonians can take full advantage of the help that is available by:

- Extending the amount of time former employees can continue coverage through the state continuation program from six months to nine months. This gives Oregonians the opportunity to receive the subsidy for the maximum amount of time.
- Giving Oregonians who lost their job before the federal stimulus package was announced, and who chose not to continue their employer plans at that time, a second opportunity to decide to continue coverage.
- Making sure all eligible Oregonians know about the subsidy by requiring insurers to notify all employer groups and individuals whose jobs ended between Sept. 1, 2008 and Dec. 31, 2009 of the possibility that they qualify for the subsidy. Consumers have 31 days from the date they are notified to decide to continue group coverage.