



# BLEEDING DISORDERS PROGRAM MONTHLY UPDATE

PATIENT SERVICES INCORPORATED

“MAKING THE GIFT OF HEALTH A LIFETIME BENEFIT”®

## How is COBRA Changing?

By James Romano, PSI Director of Government Relations

The American Recovery and Reinvestment Act of 2009 (ARRA), commonly referred to as “The Stimulus Package” provides for changes in COBRA health insurance policies and the amount of those premiums. The continuation of health insurance benefits after termination with an employer was established in 1985 (the Consolidated Omnibus Budget Reconciliation Act), and thus called COBRA. The ARRA allows eligible individuals to pay 35 percent of their COBRA premiums and the remaining 65 percent is paid by the employer and then reimbursed to the coverage provider through a tax credit. The premium reduction applies to periods of health coverage beginning on or after February 17, 2009 and lasts for up to nine months. Previously, individuals would be responsible for 100 percent of the premium and an additional two percent administration fee. The important changes to COBRA include:

1. The premium reduction for COBRA continuation coverage is available to eligible individuals who meet the criteria:
  - Eligible for COBRA continuation coverage at any time between September 1, 2008 and December 31, 2009 and elects COBRA coverage.
  - Eligible for COBRA as a result of the employee’s involuntary termination between September 1, 2008 and December 31, 2009.
  - Those who are eligible for other group health coverage through a spouse or Medicare are not eligible for the premium assistance.
2. Individuals involuntarily terminated from September 1, 2008 through February 16, 2009 who did not elect COBRA when it was first offered OR who did elect COBRA:
  - But are no longer enrolled because they were unable to continue paying the premium have a new election opportunity. This election period begins on February 17, 2009 and ends 60 days after the plan provides the required notice.
  - This special election period does not extend the period of COBRA continuation coverage beyond the original maximum period (generally 18 months from the employee’s involuntary termination).
  - COBRA coverage elected in this special election period begins with the first period of coverage beginning on or after February 17, 2009.
  - This special election period opportunity does not apply to coverage sponsored by employers with less than 20 employees that is subject to State law.

## 2010 Bleeding Disorders Premium Assistance Program

By Mandy Herbert

As we enter the last eight months of 2009, organizations are beginning to pull out their calculators, analyze numbers, and determine their 2010 budgets. As you begin to formulate your budgets for 2010, we would like to provide you with the necessary information to help work through this process as smoothly and efficiently as possible.

In the past we have been asked how our budget is established and how we determine what to request from each donor. The budget for the PSI Bleeding Disorder Premium Assistance Program is determined by the following factors:

1. The number of clients PSI is currently assisting and will carry into 2010.
2. The number of clients referred to PSI on a monthly basis who need to be placed on service (so that there is no “pending list”) averaged with the number transitioning off service.
3. The average cost of premiums (which increase about 6 percent-10 percent each year and averaged @ \$455.25 per month in 2009).

In June, you will receive detailed budget request letters from one of three contacts: Mandy Herbert (Communications Manager), Jon McNamara (Associate of Marketing/Development), or Art Wood (Sr. VP of Marketing/Development). Donations received for 2010 will help us continue to provide necessary assistance for the patients currently receiving help and those being referred to PSI.

Thank you for all that you do to support PSI and the Bleeding Disorders community. We look forward to hearing from you in the near future and appreciate the role you play in “making the gift of health a lifetime benefit.”®