

# Benefits Buzz

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## DID YOU KNOW?

After last week's bipartisan health care summit, President Obama indicates that he is open to addressing four Republican policy priorities in his health reform proposal including the following:

- A "secret shopper" approach disguising medical professionals as patients to uncover fraud, waste and abuse of the system.
- Expansion of medical malpractice reform pilot programs.
- Increased payments to Medicaid providers.
- Expanded use of health savings accounts.

Obama did reject the idea to start over with piecemeal health reform suggesting that it cannot effectively reduce premiums or end the exclusion of those with pre-existing conditions.

## Obama Signs Stopgap COBRA Subsidy Extension

An additional COBRA premium subsidy extension of 31 days was signed into law by President Obama on March 2 after being earlier approved by the Senate on a 78-19 vote.

Effective now, the government will continue to reimburse employers of health plans and subsidize 65 percent of the premium for workers who lose their jobs from March 1 through March 31, 2010. The extension is also available to employees who first lost group coverage due to reduced hours and were then laid off after March 1, pending to certain conditions.

Prior to the extension, employees laid off after Feb. 28, 2010, would have been ineligible for the subsidy.

The Senate will continue deliberation on legislation that would make the subsidy available to those laid off through Dec. 31, 2010.

Of major concern regarding the changing legislation is the continued need for HR and benefits administrators to be knowledgeable on the extension. The Department of Labor will also have to issue new notices.

## DOL Model Notice for CHIPRA

The U.S. Department of Labor has issued a new model notice that employers can use in complying with the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA).

If an employer's group health plan covers residents in a state that provides a premium subsidy, the employer must send an annual notice about the available assistance to all employees residing in that state (the Employer CHIP Notice).

The first Employer CHIP Notice must be sent by the first day of the first plan year beginning after Feb. 4, 2010, or May 1, 2010, whichever is later. For employers with calendar year plans, the notice must be sent by Jan. 1, 2011.

Employers that fail to send the required notices may be subject to penalties of \$100 per day.