Oregonians to receive assistance with health premiums

by Bend_Weekly_News_Sources

Legislation Would Expand Access to Federal Stimulus Program

SALEM, Ore. â€” The Oregon Department of Consumer and Business Services (DCBS) today proposed legislation to help more Oregonians who lose their jobs take advantage of health insurance premium assistance that is part of the federal economic stimulus package.

â€œAs 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,â€• said Gov. Kulongoski. â€œThe federal stimulus package provides much-needed help with paying for premiums, and we want to make sure Oregonians can take full advantage of it.â€•

The federal stimulus package, the American Recovery and Reinvestment Act of 2009 (ARRA), includes assistance for people who lose their jobs to continue group health insurance coverage under their state continuation plan or COBRA. The federal COBRA law applies to employers with 20 or more employees.

Oregonâ€™s state continuation law applies to employers with fewer than 20 employees and other employers not subject to COBRA. These laws entitle former employees to stay on their employerâ€™s health plan, but normally they must pay the full cost of the insurance, which many cannot afford.

The stimulus package will pay up to 65 percent of premiums for workers who choose to continue group coverage. 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.

However, Oregonâ€™s state continuation law prevents some individuals from taking full advantage of the subsidy. To ensure Oregonians can take full advantage of the help that is available, the department is proposing legislation and follow-up rule making that would include the following:

Extending the amount of time former employees can continue coverage through the state continuation program from six months to nine months. The federal subsidy is available for nine months, so extending the time period would give Oregonians the opportunity to receive the subsidy for the maximum amount of time.

Give 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.

Make 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 would have 31 days from the date they were notified to decide to continue group coverage.

â€œThe federal assistance can go a long way toward helping consumers manage through these challenging times,â€• said Cory Streisinger, director of DCBS. â€œThis legislation will ensure that eligible Oregonians know help is available and that they have the opportunity to receive the maximum benefit.â€•

The legislative proposal, which will become House Bill 2433, will be heard before the House Consumer Protection Committee on Wednesday, March 25 at 3 p.m.

In the meantime, if you lose your job involuntarily and want to take advantage of the federal subsidy, you should do the following:

Immediately tell your employer or health plan administrator that you want to continue your health insurance and fill out the required paperwork.

If it is not clear, ask your employer or plan administrator where to send the 35 percent share of the monthly premium. Insurers cannot require people who are eligible for the subsidy to pay 100 percent of the premium.

If you encounter problems, call the DCBS Insurance Divisionâ€™s consumer advocates at 503-947-7984 or toll-free at 1-888-877-4894.

For more information on the federal subsidy program, click here to visit the Stateâ€™s web site.

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