The California State University
SYSTEMWIDE HUMAN RESOURCES

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Code: TECHNICAL LETTER HR/Benefits 2010-03
Reference: HR/Benefits 2009-02 and Supplements

To: Human Resources Directors
Benefits Representatives

From: Evelyn Nazario
Assistant Vice Chancellor
Human Resources Management

Subject: Expansion of Consolidated Omnibus Reconciliation Act (COBRA) Premium Reduction Subsidy Provisions under HR 3326

Overview

Audience:	Human Resources Directors, Benefits Representatives, and/or campus designee(s) responsible for benefits and/or COBRA administration
Action Item(s):	Campuses are required to distribute revised COBRA notice(s) based on information in this technical letter
Affected Employee Group(s)/Units(s):	All employees eligible for COBRA Continuation between September 1, 2008, and present

Summary

On December 19, 2009, President Obama signed HR 3326: Department of Defense (DoD) Appropriations Act, which amended previous COBRA Subsidy regulations under the American Recovery and Reinvestment Act (ARRA) and extended the COBRA subsidy provisions, effective immediately. The legislation:

- Extends the COBRA subsidy for an additional six months, for a maximum of 15 months for eligible workers;
- Extends eligibility for the subsidy to workers who are involuntarily terminated on or before February 28, 2010, as well as their qualified beneficiaries;
- Requires employers to provide current and future COBRA beneficiaries with notice of the extension; and
- Clarifies that eligibility occurs immediately upon an involuntary termination of employment that occurs within the eligibility period.

Campus designees responsible for COBRA administration should read the technical letter in its entirety.

Distribution:

CSU Presidents
Executive Vice Chancellor and CFO
Vice Chancellor, Human Resources
Vice Presidents, Administration
Associate Vice Presidents/Deans of Faculty
Budget Officers
Payroll Managers

COBRA Subsidy Extension Background

On December 19, 2009, President Obama signed HR 3326: Department of Defense (DoD) Appropriations Act, which extended COBRA Subsidy provisions to assistance eligible individuals. Section 1010 of the 2010 DOD Act extended the COBRA premium reduction eligibility period for two months until February 28, 2010, and increased the maximum period for receiving the subsidy for an additional six months, resulting in an increase from nine (9) to 15 months of COBRA premium reduction assistance. The 65% COBRA Premium Reduction (COBRA Subsidy) of employer sponsored group health plans remains in effect and now includes employees who were involuntarily terminated between September 1, 2008, and February 28, 2010, and were eligible for COBRA at the time of the termination. Qualified beneficiaries, including eligible family members, pay the remaining 35% of the monthly COBRA premium.

COBRA Premium Reduction Eligibility Criteria

Under the original ARRA provision, a qualified beneficiary was deemed eligible for COBRA Premium Reduction if the qualifying event of involuntary termination and loss of coverage occurred between September 2008 and December 31, 2009. ARRA, as amended, removed the requirement that the loss of coverage had to occur within the period specified above. As a result, an Assistance Eligible Individual is a qualified beneficiary who is deemed eligible for COBRA Premium Reduction under the following criteria:

- Experiences a qualifying event for continuation coverage under COBRA resulting from the employee's involuntary termination of employment during the period beginning on or after September 1, 2008, through February 28, 2010; or
- Is the spouse or qualified dependent of an Assistance Eligible Individual who experiences a qualifying event for continuation coverage under COBRA resulting from an involuntary termination of employment during the period beginning on or after September 1, 2008, through February 28, 2010; and
- Elects COBRA continuation coverage timely.

Based on the amendment, an individual will be deemed eligible for COBRA Subsidy up to 15 months if the involuntary termination of employment occurs no later than February 28, 2010, even if COBRA coverage does not start until after this date.

Please note: the COBRA Premium Reduction does not extend nor shorten the COBRA eligibility period for qualified beneficiaries. For example, if a qualified beneficiary is eligible for 18-months of COBRA effective October 1, 2009, and is also deemed eligible for the COBRA Subsidy, and elects the COBRA Subsidy effective October 1, 2009, then the qualified beneficiary would only qualify for 15 months of COBRA premium reduction, which would end on December 31, 2010. However, the COBRA eligibility period would remain in effect until March 31, 2011.

The following individuals are not eligible for COBRA Premium Reduction:

- Individuals who are or who subsequently become Medicare eligible, either due to age and/or disability; or
- Individuals who are or who subsequently become eligible for another group health plan, not including dental or vision coverage only, health reimbursement arrangement (HRA), or health flexible spending account (FSA), or on-site clinic that primarily offers first-aid, wellness or prevention benefits. Actual enrollment in another group health plan is not required to be disqualified from COBRA Premium Reduction as long as the individual meets eligibility for another health plan; or
- Individuals that have reached the end of the COBRA eligibility period; or
- Individuals that have received a total of 15 months of COBRA premium reduction assistance; or
- Registered domestic partners, or same-sex spouses; and
- Individuals who become eligible for COBRA as the result of a qualifying event that is not attributable to an involuntary termination.

If the qualified beneficiary becomes ineligible for COBRA Subsidy while receiving COBRA premium assistance, then the premium reduction ends on the first day of the month following the event date. The law requires qualified beneficiaries to notify the COBRA administrator in writing when he/she no longer qualifies for COBRA premium reduction assistance due to eligibility for health coverage. The penalty for failure to provide this notification to the COBRA administrator is 110% of the subsidy that was improperly received.

Although federal COBRA law does not recognize registered domestic partners and same-sex married couples, the CSU extends COBRA to registered domestic partners pursuant to Assembly Bill (AB) 205, the California Domestic Partner Rights and Responsibilities Act of 2003, and also to qualified same-sex married couples (limited to same-sex marriages that occurred between June 16, 2008 and November 4, 2008) as the result of California Supreme Court decision that was subsequently overturned by the passing of Proposition 8.

As a result of the tax components of the COBRA Subsidy, the COBRA premium reduction would apply only to the separated eligible employee, and not the registered domestic partner or same-sex spouse. Therefore, the registered domestic partner or the spouse of a same-sex married couple must enroll in COBRA individually and pay the full 102% of the monthly premium, unless the cost of covering a non-assistance eligible individual does not add to the cost of covering the assistance eligible individual and otherwise qualified dependents.

New Notice Requirements and Continuation of COBRA Subsidy

The Department of Labor has published the updated ARRA Summary, "Request for Treatment as an Assistance Eligible Individual" form and the following COBRA notices on their website:

- Revised Qualifying Event (QE) General COBRA Election Notice; and
- Premium Assistance Extension Notice.

For qualifying events occurring after December 19, 2009, an updated General Notice must be provided within the normal timeframe for providing a COBRA election notice. According to the Department of Labor (DOL), employers must provide notice of the revised COBRA subsidy program to the following individuals no later than February 17, 2010:

- Individuals who were assistance eligible between October 31, 2009, and December 18, 2009; and
- Individuals who lost coverage due to termination of employment between October 31, 2009, and December 18, 2009.

Normal COBRA notice timing rules apply to individuals who were terminated on or after December 19, 2009.

Individuals, who were still in the initial COBRA Subsidy nine (9) month period at the time that the provisions were extended in December, can continue making payments equal to 35% of the monthly premium. Please note: Individuals that cancelled COBRA or began paying the full premium once their nine (9) month subsidy period ended, can retroactively elect to continue COBRA coverage up to six (6) months at the reduced premium, or can receive reimbursements or credits of any excess premium payments. Typically, impacted individuals must receive notice of this right within 60 days after exhausting the original subsidy period. In most cases, these individuals would have exhausted the COBRA subsidy on November 30, 2009. ***Therefore, a notice is required by the end of January, or within a reasonable timeframe***. On behalf of the campuses, COBRA enrollees categorized in this paragraph will be notified by Human Resources Management (HRM) regarding the ARRA Extension provisions.

Please note: if an individual has already received a COBRA Election Notice for a termination that occurred between October 31, 2009, and December 31, 2009, but without the ARRA extension provisions, the campus is required to provide ARRA extension information, but only if the individual was terminated from employment (voluntarily or not). If so, the campus can choose to either reissue a revised COBRA Election Notice or can provide a copy of the Premium Assistance Extension Notice.

To further assist campuses, please note the following information regarding COBRA notice requirements:

Who Must Receive Notice	Which Notice to Send	When to Send Notice
Individual with any qualifying event after December 19, 2009, who lost (or loses) health coverage.	Revised (QE) General Election Notice (Attachment A)	Within the normal COBRA notice deadlines
Individual terminated from employment between October 31, 2009, and December 19, 2009, who lost health coverage and has not received any COBRA election notice.	Revised (QE) General Election Notice (Attachment A)	By February 17, 2010
Assistance Eligible Individual who has not received any COBRA notice.	Revised (QE) General Election Notice (Attachment A)	By February 17, 2010
Assistance Eligible Individual who previously received a COBRA election notice without extension information.	Premium Assistance Extension Notice (Attachment B)	By February 17, 2010
Individual terminated from employment between October 31, 2009, and December 19, 2009, who lost health coverage but received a COBRA election without extension information.	Premium Assistance Extension Notice, (or revised General Notice, if campus chooses to) if the qualifying event was based on termination of employment. Otherwise, per DOL, no new notice is required. (Attachment B)	By February 17, 2010
Assistance Eligible Individual who exhausted the original nine-month subsidy period on November 30, 2009, before the extension was implemented on December 19, 2009, if still deemed an Assistance Eligible Individual and COBRA period has not ended.	Premium Assistance Notice (Attachment B)	By January 31, 2010, or a reasonable timeframe

CSU versions of the COBRA notices are included with this technical letter. While the Revised General COBRA Election Notice still includes the ARRA Summary and "Request for Treatment as an Assistance Eligible Individual" form, the newly created Premium Extension Notice is an abbreviated notice that includes only the ARRA Summary.

COBRA Premium Reduction Rates for Impacted Benefits Plans

The 2010 COBRA rate charts for the health, dental and vision plans have been revised to include new payment amounts for qualified beneficiaries to remit to each group health plan if deemed eligible for COBRA Subsidy (see Attachment X).

Additional Information

Information regarding tax implications and appeal rights for individuals denied COBRA subsidy, and the definition of involuntary termination remain unchanged, and are detailed in HR/Benefits 2009-02, and HR/Benefits 2009-02, Supplement #1.

CMS Processing Instructions

Currently COBRA Administration is not included in CMS Baseline; therefore, there is no impact to the Base Benefits or Benefits Administration (Ben Admin) Oracle/PeopleSoft modules.

Questions regarding this Technical Letter may be directed to Human Resources Management at (562) 951-4411. This Technical Letter is also available on the Human Resources Management Web site at: http://www.calstate.edu/HRAdm/memos.shtml.

EN/mh

COBRA QUALIFYING EVENT GENERAL ELECTION NOTICE

To: Covered Employee, [***INSERT ADDITIONAL QUALIFIED BENEFICIARY CATEGORIES*** – *Spouse/Registered Domestic Partner and Dependent Children*]
Fr: [***EMPLOYER NAME***]
Date: [***DATE***]

This notice contains important information about your right to continue your group health care coverage in the [*ENTER NAMES OF APPLICABLE GROUP HEALTH PLANS, e.g., medical, dental, vision, health care reimbursement account (HCRA) plans*] (collectively, the "Plan"). Please read the information contained in this notice very carefully. We use the pronoun "you" in this notice (including the enclosed Election Form) to refer to each of the individual addressees named above.

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended by the Department of Defense Appropriations Act, 2010, reduces the COBRA premium in some cases. You are receiving this election notice because you experienced a qualifying event that occurred during the period that begins with September 1, 2008 and ends with February 28, 2010 and you may be eligible for the temporary premium reduction for up to 15 months. To help determine whether you can get the ARRA premium reduction, you should read this notice and the attached documents carefully. In particular, reference the "Summary of the COBRA Premium Reduction Provisions under ARRA, as Amended" with details regarding eligibility, restrictions, and obligations and the "Application for Treatment as an Assistance Eligible Individual." **If you believe you meet the criteria for the premium reduction, complete the "Application for Treatment as an Assistance Eligible Individual" and return it with your completed Election Form.**

Please note, if you qualify, the COBRA Premium Reduction will apply only to group health, dental and vision plans. As a result, you will be responsible for paying 35% of the monthly premium. You also have the right to waive the COBRA Premium Reduction. The decision to waive is irrevocable.

HCRA Continuation is not eligible for COBRA Premium Reduction. In addition, COBRA Premium Reduction does not apply to Registered Domestic Partners and same sex spouses.

Based on your COBRA qualifying event (see below), you [***CHECK ONE***] ___are eligible ___are not eligible for COBRA Premium Reduction. **If you want to appeal this decision, and feel you meet the criteria for the premium reduction due to an involuntary termination, complete the "Application for Treatment as an Assistance Eligible Individual" and return it to the campus Benefits Office. You can download appeal forms at the Centers for Medicare and Medicaid Services (CMS) at www.continuationcoverage.net or by contacting them at 866-400-6689.**

To elect COBRA coverage, follow the instructions on the enclosed Election Form and submit the completed form to your [***INSERT CORRECT LOCATION*** - *Campus Benefits Office*].

If you do not elect COBRA coverage, your coverage under the Plan will end on [***ENTER DATE***] due to [***CHECK APPROPRIATE BOX***]:

☐ End of employment on [***INSERT DATE***]
☐ Involuntary ☐ Voluntary
☐ Death of employee [***INSERT DATE***]
☐ Loss of dependent child status [***INSERT DATE***]
[***INSERT DATE***]
☐ Reduction in hours of employment [***INSERT DATE***]
☐ Divorce or legal separation [***INSERT DATE***]
☐Dissolution of Registered Domestic Partnership

The event designated above that caused you to lose coverage under the Plan(s) is called your "qualifying event" in this notice, and the date of that event shown above is the date of your qualifying event. Each person ("qualified beneficiary") in the category(ies) checked below is entitled to elect COBRA coverage under one

*General COBRA Notice, amended with COBRA Subsidy Extension language for qualifying events dated October 31, 2009 through February 28, 2010.

or more group health coverages under the Plan specified below and can continue group health care coverage under the Plan for up to ___ months [***ENTER* 18 *or* 36, *as* appropriate**] [***Check appropriate box or boxes below; names may be added***]:

☐ Employee or former employee [***INSERT NAME***]
☐ Spouse or former spouse [***INSERT NAME***]
☐ Registered Domestic Partner [***INSERT NAME***]
☐ Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage [***INSERT NAMES***]
☐ Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan ***[INSERT NAME]***

If elected, COBRA coverage will begin on [***ENTER DATE***] and can last until [***ENTER DATE***] (except that coverage under the HCRA can last only until December 31, _____ [***INSERT YEAR***]**.** *You may elect COBRA continuation coverage for any of the following coverage options in which you are already enrolled: [**LIST AVAILABLE COVERAGE OPTIONS]***

COBRA continuation coverage will cost: [**ENTER AMOUNT EACH QUALIFIED BENEFICIARY WILL BE REQUIRED TO PAY FOR EACH OPTION PER MONTH OF COVERAGE AND ANY OTHER PERMITTED COVERAGE PERIODS**.]. If you qualify as an "Assistance Eligible Individual," this cost will be: [**INCLUDE THE AMOUNT THAT THE ASSISTANCE ELIGIBLE INDIVIDUAL IS REQUIRED TO PAY FOR EACH OPTION**] **for up to 15 months.**]

You do not have to send any payment with the Election Form. Important additional information about payment for COBRA continuation coverage is included in the pages following the Election Form.

If you have any questions about this notice or your rights to COBRA coverage, you should contact [***ENTER CONTACT INFORMATION INCLUDING ADDRESS AND PHONE NUMBERS FOR CAMPUS BENEFITS OFFICE***].

COBRA Coverage Election Form

INSTRUCTIONS: To elect COBRA coverage, complete this Election Form and return it to CSU. Under federal law, you must have 60 days after the date of this qualifying event (election) notice to decide whether you want to elect COBRA coverage under the Plan.

Mail or hand deliver the completed Election Form to: [*Enter Name and Address of campus benefits office contact person*]

This Election Form must be completed in writing and returned by mail or hand delivered to the individual and address specified above. The following are not acceptable as COBRA elections and will not preserve COBRA rights: oral communications regarding COBRA coverage, including in-person or telephone statements about an individual's COBRA coverage; and electronic communications, including e-mail. If mailed, it must be post-marked no later than [*enter date*]. If hand delivered, it must be received no later than [*enter date*].

If you do not submit a completed Election Form by the due date shown above, you will lose your right to elect COBRA coverage. If you reject COBRA coverage before the due date, you may change your mind as long as you furnish a completed Election Form before the due date.

Read the important information about your rights included in the pages after the Election Form.

I (We) elect COBRA coverage in the [*medical, dental and vision plan and the HCRA plan]* (collectively, the Plan) as indicated below (you may elect one or more group health coverages listed after your name):

a. Name	Date of Birth	Relationship to Employee	SSN (or other identifier)
_____	_____	_____	_____

b. Coverage options elected: _____ _____ _____ [***INSERT AVAILABLE COVERAGES***]

All qualified beneficiaries who were covered under the HCRA will be covered together for HCRA COBRA coverage. However, each qualified beneficiary has separate election rights, and each could alternatively elect separate COBRA coverage to cover that qualified beneficiary only, with a separate HCRA annual coverage limit and a separate COBRA premium. If you are interested in this alternative, contact your [***INSERT CORRECT CONTACT INFORMATION***].

Is the covered employee, spouse, domestic partner, or any dependent child entitled to Medicare Part A, Part B or both?
□ Yes □ No

If yes, name and date of entitlement (shown on Medicare card): _____.

If you become entitled to Medicare (or first learn that you are entitled to Medicare) after submitting this Election Form, immediately notify the [***CAMPUS BENEFITS* OFFICE**] and the applicable dental and vision carriers/COBRA administrators of the date of your Medicare entitlement at the addresses shown below.

I (we) have received and read this entire COBRA Qualifying Event (Election) Notice, including the paragraph entitled "Electing COBRA under the HCRA." I (we) understand that the use-it-or-lose-it rule will continue to apply to the HCRA coverage, if elected, so any unused amounts will be forfeited at the end of the Plan year (December 31). I (we) also understand that no HCRA coverage will be available for subsequent years.

_____	_____
Signature	Date
_____	_____
Print Name	Relationship to individual(s) listed above
_____	_____
Print Address	Telephone Number

*General COBRA Notice, amended with COBRA Subsidy Extension language for qualifying events dated October 31, 2009 through February 28, 2010.

Important information about your COBRA coverage rights

What is COBRA continuation coverage?

Federal law requires that most group health plans (including CSU's medical, dental, vision and HCRA plans) give employees and their families the opportunity to continue their group health coverage when there is a "qualifying event" that would result in a loss of coverage under an employer's plan. Depending on the type of qualifying event, "qualified beneficiaries" can include the employee (or retired employee) covered under the group health plan and the covered employee's spouse and dependent children enrolled in the group health plan. (Certain newborns, newly adopted children, and alternative recipients under QMSCOs may also be qualified beneficiaries. This is discussed in more detail in separate paragraphs below.) Although not required by law, CSU offers COBRA coverage to registered domestic partners of CSU employees covered under CSU's group health plans.

COBRA continuation coverage is the same coverage that the medical, dental, vision and HCRA plans (collectively, the "Plan") give to other participants or beneficiaries under the Plan who are not receiving COBRA coverage. Each qualified beneficiary who elects COBRA coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including open enrollment and HIPAA special enrollment rights.

COBRA (and the description of COBRA coverage contained in this notice) applies only to group health coverage offered by CSU under the Plan (i.e., medical, dental, vision and HCRA) and not to any other benefits offered by CSU (such as life insurance, disability, or accidental death and dismemberment). The Plan provides no greater COBRA rights than what COBRA requires (except for COBRA coverage for registered domestic partners) – nothing in this notice is intended to expand your rights beyond COBRA's requirements. You may be eligible for additional continuation rights under California State law – see the "California Continuation Rights for Certain Qualified Beneficiaries" section below.

How long will COBRA coverage last?

In the case of a loss of coverage due to end of employment or reduction in hours of employment, coverage generally may be continued only for up to a total of 18 months. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee becomes entitled to Medicare benefits less than 18 months before the qualifying event, COBRA coverage for qualified beneficiaries (other than the employee) who lose coverage under the Plan as a result of the qualifying event can last up to 36 months from the date of Medicare entitlement. This COBRA coverage period is available only if the covered employee becomes entitled to Medicare within 18 months before the termination or reduction of hours. In the case of a loss of coverage due to an employee's death, divorce or legal separation, or dissolution of a registered domestic partnership, or a dependent child ceasing to be a dependent under the terms of the Plan, coverage may be continued for up to a total of 36 months. Regardless of the qualifying event, HCRA COBRA coverage may only be continued to the end of the plan year in which the qualifying event occurred and cannot be extended for any reason.

This notice shows the maximum period of COBRA coverage available to qualified beneficiaries. COBRA coverage will automatically terminate before the end of the maximum period if:

- any required premium is not paid in full on time;

- a qualified beneficiary becomes covered, after electing COBRA coverage, under another group health plan (but only after any preexisting condition exclusions of that other plan that applies to the qualified beneficiary have been exhausted or satisfied);
- a qualified beneficiary becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing COBRA coverage; or
- CSU ceases to provide any group health plan for its employees; or
- during a disability extension period (the disability extension is explained below), the disabled qualified beneficiary is determined by the Social Security Administration to be no longer disabled.

COBRA coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving COBRA coverage (such as fraud).

You must notify the [***CAMPUS BENEFITS OFFICE***] and the applicable dental and vision carriers/COBRA administrators (see "For More Information" section below) in writing within 30 days if, after electing COBRA, a qualified beneficiary becomes entitled to Medicare (Part A, Part B or both) or becomes covered under other group health plan coverage (but only after any preexisting condition exclusions of that other plan for a preexisting condition of the qualified beneficiary have been exhausted or satisfied). COBRA coverage will terminate (retroactively if applicable) as of the date of Medicare entitlement or as of the beginning date of the other group health coverage (after exhaustion or satisfaction of any applicable preexisting condition exclusion). The insurance carriers/HMOs may require repayment of all benefits paid after the termination date, regardless of whether or when you provide notice of Medicare entitlement or other group health plan coverage.

How can you extend the length of COBRA continuation coverage?

If you elect COBRA coverage, an extension of the maximum period of coverage may be available if a qualified beneficiary is disabled or a second qualifying event occurs. You must notify the [***CAMPUS BENEFITS OFFICE***] and applicable dental and vision carriers/COBRA administrators (see "For More Information" section below) of a disability or a second qualifying event in order to extend the period of COBRA coverage. Failure to provide notice of a disability or second qualifying event will affect the right to extend the period of COBRA coverage. (The period of COBRA coverage under the HCRA cannot be extended under any circumstances.)

Disability. If any of the qualified beneficiaries is determined by the Social Security Administration to be disabled, the maximum COBRA coverage period that results from the covered employee's termination of employment or reduction of hours (generally 18 months as described above) may be extended up to a total of 29 months. The disability must have started at some time before the 61st day after the covered employee's termination of employment or reduction of hours with CSU and must last until the end of the 18-month period of COBRA coverage. Each qualified beneficiary who has elected COBRA coverage will be entitled to the disability extension if one of them qualifies. The disability extension is available only if you notify the [***CAMPUS BENEFITS OFFICE***] and applicable dental and vision carriers/COBRA administrators (see "For More Information" section below) in writing of the Social Security Administration's determination of disability within 60 days after the latest of:

- the date of the Social Security Administration's disability determination;
- the date of the covered employee's termination of employment or reduction of hours; or
- the date of which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan(s) as a result of the covered employee's termination or reduction of hours.

You must also provide this notice within 18 months after the covered employee's termination of employment or reduction of hours in order to be entitled to a disability extension. The notice must be provided in writing and must include the following information:

- the name(s) of the group health coverages;
- the name of the employee or former employee who is or was covered under the Plan;
- the name(s) and address(es) of all qualified beneficiaries who are receiving COBRA due to the initial qualifying event;
- the initial qualifying event giving rise to COBRA coverage;
- the date of the initial qualifying event;
- the name and address of the disabled qualified beneficiary;
- the date that the qualified beneficiary become disabled;
- the date that the Social Security Administration made its determination of disability;
- a statement as to whether or not the Social Security Administration has subsequently determined that the qualified beneficiary is no longer disabled; and
- the signature, name and contract information of the individual sending the notice.

Your notice must include a copy of the Social Security Administration's determination of disability. You must mail or hand deliver this notice to the [***CAMPUS BENEFITS OFFICE***] and applicable dental and vision carriers/COBRA administrators at the addresses indicated below (see "For More Information" section).

If the above procedures are not followed or if the notice is not provided within the 60-day notice period, there will be no disability extension of COBRA coverage.

If the qualified beneficiary is determined by the Social Security Administration to no longer be disabled, you must notify the [***CAMPUS BENEFITS OFFICE***] and applicable dental and vision carriers/COBRA administrators (see "For More Information" section below) of that fact within 30 days after the Social Security Administration's determination. COBRA coverage will end no earlier than the first of the month that begins more than 30 days after the date of the final determination by the Social Security Administration that the qualified beneficiary is no longer disabled. The notice must be provided in the same manner as, and include the same information required for, a notice of disability as described above.

Second Qualifying Event. An extension of coverage will be available to spouses, registered domestic partners and dependent children who are receiving COBRA coverage if a second qualifying event occurs during the first 18 months (or, in the case of a disability extension, the 29 months) of COBRA coverage following the covered employee's termination of employment or reduction of hours. The maximum amount of COBRA coverage available when a second qualifying event occurs is 36 months from the date COBRA coverage began. Such second qualifying events may include the death of a covered employee, divorce or legal separation from the covered employee, dissolution of the employee's registered domestic partnership, or a dependent child's ceasing to be eligible for coverage as a dependent under the Plan.

This extension due to a second qualifying event is available only if you notify the [***CAMPUS BENEFITS OFFICE***] and applicable dental and vision carriers/COBRA administrators (see "For More Information" section below) in writing of the second qualifying event within 60 days after the later of:

- the date of the second qualifying event; or
- the date on which the qualified beneficiary would lose coverage under the terms of the Plan(s) as a result of the second qualifying event.

The notice must include the following information:

- the names of the group health coverages under the Plan;
- the name of the employee or former employee who is or was covered under the Plan;
- the name(s) and address(es) of all qualified beneficiaries who are receiving COBRA due to the initial qualifying event;
- the initial qualifying event giving rise to COBRA coverage;
- the date of the initial qualifying event;
- the second qualifying event;
- the date of the second qualifying event; and
- the signature, name and contact information of the individual sending the notice.

In addition, you must provide documentation supporting the occurrence of the second qualifying event, if the [***CAMPUS BENEFITS OFFICE***] and/or applicable dental and vision carriers/COBRA administrators request it. Acceptable documentation includes a copy of the divorce decree, domestic partnership dissolution documents, death certificate, or dependent child(ren)'s birth certificates, driver's license, marriage license or letter from a university or institution indicating a change in student status.

You must mail or hand deliver this notice to the [***CAMPUS BENEFITS OFFICE***] and applicable dental and vision carriers/COBRA administrators at the addresses indicated below (see "For More Information" section).

If the above procedures are not followed or if the notice is not provided within the 60-day notice period, there will be no extension of COBRA coverage due to a second qualifying event.

How can you elect COBRA coverage?

To elect COBRA coverage, you must complete the Election Form according to the directions on the Election Form and mail or hand deliver it by the date specified on the Election Form. Each qualified beneficiary has a separate right to elect COBRA coverage. For example, the employee's spouse or registered domestic partner may elect COBRA coverage even if the employee does not. COBRA coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to COBRA coverage on behalf of any dependent children. The employee or the employee's spouse can elect COBRA coverage on behalf of all of the qualified beneficiaries.

You may elect COBRA under any or all of the group health coverages (medical, dental, vision and HCRA) in which you were covered under the Plan on the day before the qualifying event. Qualified beneficiaries who are entitled to elect COBRA may do so even if they have other group health plan coverage or are entitled to Medicare benefits on or before the date on which COBRA is elected. However, a qualified beneficiary's COBRA coverage will terminate automatically if, after electing COBRA, he or she becomes entitled to Medicare benefits or becomes covered under another group health plan (but only after any applicable preexisting condition exclusions of that other plan have been exhausted or satisfied).

Electing COBRA under the HCRA

COBRA coverage under the HCRA will be offered only to qualified beneficiaries losing coverage who have underspent accounts. A qualified beneficiary has an underspent account if the annual limit elected under the HCRA by the covered employee, reduced by reimbursements of expenses incurred up to the time of the qualifying event, is equal to or more than the amount of premiums for HCRA COBRA coverage that will be charged for the remainder of the plan year. COBRA coverage will consist of the HCRA coverage in force at the time of the qualifying event (i.e., the elected annual limit reduced by expenses reimbursed up to the time of the qualifying event). The use-it-or-lose-it rule will continue to apply, so any unused amounts will be forfeited at the end of the plan year, and COBRA coverage will terminate at the end of the plan year. All qualified beneficiaries who were covered under the HCRA will be covered together for HCRA COBRA coverage. However, each qualified beneficiary has separate election rights, and each could alternatively elect separate COBRA coverage to cover that qualified beneficiary only, with a separate HCRA annual coverage limit and a separate COBRA premium. If you are interested in this alternative, contact [***INSERT CONTACT INFORMATION***] for more information.

Special Considerations in deciding whether to elect COBRA

In considering whether to elect COBRA coverage, you should take into account that a failure to elect COBRA will affect your future rights under federal law. First, you can lose the right to avoid having pre-existing condition exclusions applied to you by other group health plans if you have more than a 63-day gap in health coverage, and election of COBRA coverage may help you not have such a gap. Second, you may lose the guaranteed right to purchase individual health insurance policies that do not impose such pre-existing condition exclusions if you do not get COBRA coverage for the maximum time available to you. Finally, you should take into account that you may have special enrollment rights under federal law. You may have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse's employer) within 30 days after your group health coverage under the Plan ends because of the qualifying event listed above. You also will have the same special enrollment right at the end of COBRA coverage if you get COBRA coverage for the maximum time available to you.

How much does COBRA coverage cost?

Generally, each qualified beneficiary is required to pay the entire cost of COBRA coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of COBRA coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving COBRA coverage. The required monthly payment for each group health benefit provided under the Plan(s) under which you are entitled to elect COBRA is described in this notice.

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended by the Department of Defense Appropriations Act (2010), reduces the COBRA premium in some cases. The premium reduction is available to certain individuals who experience a qualifying event that is an involuntary termination of employment during the period beginning with September 1, 2008 and ending with February 28, 2010. If you qualify for the premium reduction, you need only pay 35 percent of the COBRA premium otherwise due to the plan. This premium reduction is available for up to 15 months. If your COBRA continuation coverage lasts for more than 15 months, you will have to pay the full amount to continue your COBRA continuation coverage. See the attached "Summary of the COBRA Premium Reduction Provisions under ARRA, as Amended" for more details, restrictions, and obligations as well as the form necessary to establish eligibility.

The Trade Act of 2002 created a tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC). Under the tax provisions, eligible individuals can either take a tax credit or get advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. ARRA made several amendments to these provisions, including an increase in the amount of the credit to 80% of premiums for coverage before January 1, 2011 and temporary extensions of the maximum period of COBRA continuation coverage for PBGC recipients (covered employees who have a non-forfeitable right to a benefit any portion of which is to be paid by the PBGC) and TAA-eligible individuals.

If you have questions about these provisions, you may call the Health Coverage Tax Credit Customer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.]

When and how must payment for COBRA coverage be made?

First payment for COBRA coverage

If you elect COBRA coverage, you do not have to send any payment with the Election Form. However, you must make your first payment for COBRA coverage not later than 45 days after the date of your election. (This is the date the Qualifying Event (Election) Notice is post-marked, if mailed, or the date your Election Form is received by the individual as the address specified for delivery on the Election Form, if hand delivered.) If you do not make your first payment for COBRA coverage in full within 45 days after the date of your election, you will lose all COBRA rights under the Plan(s).

Your first payment must cover the cost of COBRA coverage from the time your coverage under the Plan(s) would have otherwise terminated up through the end of the month before the month in which you make your first payment. You are responsible for making sure that the amount of your first payment is correct. You may contact [***ENTER APPROPRIATE CONTACT INFORMATION***] to confirm the correct amount of your first payment.

Monthly payments for COBRA coverage

To maintain COBRA coverage for you and/or qualified dependents, you will be required to make monthly payments for each month of COBRA coverage, beginning with your COBRA effective date. The amount due for each coverage period for each month for each qualified beneficiary is shown in this notice. Under the Plan(s), each of these monthly payments for COBRA coverage is due on the first day of the month for that month's COBRA coverage. If you make a monthly payment on or before the first day of the month to which it applies, your COBRA coverage under the Plan(s) will continue for that month without any break. It is your responsibility to pay your COBRA premiums on time.

Grace periods for monthly payments

Although monthly payments are due on the first day of each month of COBRA coverage, you will be given a grace period of 30 days after the first day of the month to make each payment for that month. Your COBRA coverage will be provided for each month as long as payment for that month is made before the end of the grace period for that payment. However, if you pay a monthly payment later than the first day of the month to which it applies, but before the end of the grace period for the month, your coverage under the Plan(s) will be suspended as of the first day of the month and then retroactively reinstated (going back to the first day of the month) when the monthly payment is

received. This means that any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.

If you fail to make a monthly payment before the end of the grace period for that month, you will lose all rights to COBRA coverage under the Plan(s). However, the Department of Defense Appropriations Act (2010) provides an extended grace period for certain periods of coverage. If you have reached the end of the reduced premium period, you can make a retroactive payment of the reduced premium(s) for the period(s) of coverage immediately following what would have been the last period subject to the premium reduction. This payment must be made by the later of February 17, 2010, 30 days from the date this notice was provided to you, or by the end of the otherwise applicable payment grace period.

All COBRA premiums must be paid by check or money order.

If mailed, your payment is considered to have been made on the date that it is postmarked. [If hand delivered, your payment is considered to have been made when it is received.] You will not be considered to have made any payment if your check is returned due to insufficient funds or otherwise.

Please note the following information regarding your Medical coverage: Your health plan will bill you directly for the first payment of COBRA. If you do not receive a monthly invoice or payment booklet within three (3) weeks after choosing COBRA coverage continuation, please contact CalPERS at (888) 225-7377, or your health plan:

Medical

_____ [*enter appropriate payment addresses for medical*]
_____
_____
_____

After you make your first COBRA payment for dental, vision and/or the Flexible Spending Account, a payment booklet will be mailed to you by the Plan. All COBRA payments should be sent to the address(es) specified below.

Dental

For Delta Dental PPO:

Wolfpack Insurance Services
P.O. Box 156
Belmont, California 94002
(800) 296-0192

For DeltaCare USA

Wolfpack Insurance Services
P.O. Box 156
Belmont, California 94002
(800) 296-0192

Vision

VSP/COBRA Administration
P.O. Box 997100
Sacramento, California 95899-7100
(800) 852-7600 extension 4637

HCRA

ASI
P. O. Box 6044
Columbia, MO 65205-6044
Telephone: (800) 659-3035

More information about individuals who may be qualified beneficiaries

Children born to or placed for adoption with the covered employee during COBRA enrollment

A child born to, adopted by, or placed for adoption with a covered employee during a period of COBRA coverage is considered to be a qualified beneficiary provided that, if the covered employee is a qualified beneficiary, the covered employee has elected COBRA coverage for himself or herself and enrolls the child within 30 days of the birth, adoption or placement for adoption. The child's COBRA coverage begins when the child is enrolled in the Plan(s), whether through special enrollment or open enrollment, and it lasts for as long as COBRA coverage lasts for other family members of the employee. To be enrolled in the Plan(s), the child must satisfy the otherwise applicable Plan(s) eligibility requirements (for example, regarding age).

Alternative recipients under QMSCOs

A child of the covered employee who is receiving benefits under the Plan(s) pursuant to a Qualified Medical Child Support Order (QMSCO) received by CSU during the covered employee's period of employment with CSU is entitled to the same rights to elect COBRA as an eligible dependent child of the covered employee.

For more information

This notice does not fully describe COBRA coverage or other rights under the Plan(s). More information about COBRA coverage and your rights under the Plan is available from the [***CAMPUS BENEFITS OFFICE***].

If you have any questions concerning the information in this notice, or your rights to COBRA coverage, or if you want a copy of your summary plan description, you should contact the following:

For general COBRA questions and questions regarding medical COBRA coverage:
[***ENTER CAMPUS BENEFITS OFFICE CONTACT INFORMATION INCLUDING ADDRESS AND PHONE NUMBER***]

Question regarding dental COBRA coverage

For Delta Dental PPO:
Wolfpack Ins. Services
P.O. Box 156
Belmont, California 94002
(800) 296-0192

For DeltaCare USA:
Wolfpack Ins. Services
P.O. Box 156
Belmont, California 94002
(800) 296-0192

Questions regarding vision COBRA coverage

VSP/COBRA Administration
P.O. Box 997100
Sacramento, California 95899-7100
(800) 852-7600 extension 4637

Questions regarding HCRA COBRA coverage

ASI
P. O. Box 6044
Columbia, MO 65205-6044
(800) 659-3035

Information about COBRA provisions for governmental employees is available from the:
Centers for Medicare & Medicaid Services (CMS)
Private Health Insurance Group
7500 Security Boulevard
Mail Stop S3-16-16
Baltimore, Maryland 21244-1850

You may call (866) 400-6689 for assistance, or contact CMS via e-mail at continuationcoverage@maximus.com. The CMS website is www.cms.hhs.gov.

Keep your plan informed of address changes

In order to protect your and your family's rights, you should keep the [***CAMPUS BENEFITS OFFICE***] and applicable dental and vision carriers/COBRA administrators informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to these entities.

Special COBRA Rights for California Employees

If you are enrolled in an HMO or insured group medical coverage in California at the time of your initial qualifying event, you and your eligible dependents may be eligible to extend COBRA coverage from 18 or 29 months to a total of 36 months measured from the date of the original qualifying event. The HMO or insurance company may charge up to 110% of the cost (disabled individuals may be charged up to 150% of the cost).

This special California continuation benefit is provided by the HMO and insurance company and is not CSU's responsibility. Contact your HMO or insurance company to find out whether you are eligible for continuation benefits and how to obtain them.

Conversion Privilege After COBRA Terminates

You and your enrolled dependents may be entitled to a conversion policy upon the expiration of COBRA coverage. In the event you do not elect COBRA coverage, you may still apply for conversion to an individual medical policy. If you wish to convert your medical coverage to an individual conversion policy, you must make your application within 30 days from the date your coverage terminates to ensure continuous coverage. If you elect COBRA coverage, you will have the option to convert your medical coverage to an individual policy during the last 180 days of the maximum 18, 29, or 36 month COBRA coverage period.

*General COBRA Notice, amended with COBRA Subsidy Extension language for qualifying events dated October 31, 2009 through February 28, 2010.

PREMIUM ASSISTANCE EXTENSION NOTICE

[*Enter date of notice*]

Dear: [*Identify the qualified beneficiary(ies), by name or status*]

This notice contains important information about additional rights you may have related to your COBRA continuation coverage in the [*enter name of group health plan*] (the Plan). Please read the information contained in this notice very carefully.

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended by the Department of Defense Appropriations Act, 2010, reduces the COBRA premium in some cases. You are receiving this notice because you either:

1. ***Were receiving COBRA Premium assistance as of October 31, 2009; or***
2. ***Became an Assistance Eligible Individual or experienced a qualifying event that was related to the termination of a covered employee's employment on or after October 31, 2009, but were not provided a notice that included the information required by ARRA, as amended; or***
3. ***Received the full nine months of premium assistance required under ARRA and either did not make any payment for subsequent periods of coverage, made payment of the 35% (or some other amount that is less than the full premium), or made payment of the full premium otherwise required to maintain coverage absent the subsidy.***

If you experienced an involuntary termination of employment you may be eligible for the temporary premium reduction for up to 15 months. **To help determine whether you can get the ARRA premium reduction, you should read this notice and the attached documents carefully. In particular, reference the "Summary of the COBRA Premium Reduction Provisions under ARRA, as Amended" with details regarding eligibility, restrictions, and obligations.**

Important Information about Your COBRA Continuation Coverage Rights

How much does COBRA continuation coverage cost?

Generally, each qualified beneficiary may be required to pay the entire cost of continuation coverage. The amount a qualified beneficiary may be required to pay may not exceed 102 percent (or, in the case of an extension of continuation coverage due to a disability, 150 percent) of the cost to the group health plan (including both employer and employee contributions) for coverage of a similarly situated plan participant or beneficiary who is not receiving continuation coverage. The required payment for each continuation coverage period for each option is described in this notice.

The American Recovery and Reinvestment Act of 2009 (ARRA), as amended by the Department of Defense Appropriations Act, 2010, reduces the COBRA premium in some cases. The premium reduction is available to certain individuals who experience a qualifying event relating to COBRA continuation coverage that is an involuntary termination of employment during the period beginning September 1, 2008, and ending February 28, 2010. If you qualify for the premium reduction, you need only pay 35 percent of the COBRA premium otherwise due to the plan. This premium reduction is available for up to 15 months. If your COBRA continuation coverage lasts for more than 15 months, you will have to pay the full amount to continue your COBRA continuation coverage. See the attached "Summary of the COBRA Premium Reduction Provisions under ARRA, as Amended" for more details, restrictions, and obligations as well as the form necessary to establish eligibility.

The Trade Act of 2002 created a tax credit for certain individuals who become eligible for trade adjustment assistance and for certain retired employees who are receiving pension payments from the Pension Benefit Guaranty Corporation (PBGC). Under the tax provisions, eligible individuals can either take a tax credit or get

advance payment of 65% of premiums paid for qualified health insurance, including continuation coverage. ARRA made several amendments to these provisions, including an increase in the amount of the credit to 80% of premiums for coverage before January 1, 2011 and temporary extensions of the maximum period of COBRA continuation coverage for PBGC recipients (covered employees who have a non-forfeitable right to a benefit any portion of which is to be paid by the PBGC) and TAA-eligible individuals.

If you have questions about these provisions, you may call the Health Coverage Tax Credit Customer Contact Center toll-free at 1-866-628-4282. TTD/TTY callers may call toll-free at 1-866-626-4282. More information about the Trade Act is also available at www.doleta.gov/tradeact.

When and how must payment for COBRA continuation coverage be made?

Under normal circumstances, you have a grace period of at least 30 days after the first day of the coverage period to make each periodic payment. If you fail to make a periodic payment before the end of the grace period for that coverage period, you would lose all rights to continuation coverage under the Plan. However, the Department of Defense Appropriations Act, 2010 provides an extended period of time for certain periods of coverage. If you have reached the end of the reduced premium period, you can make a retroactive payment of the reduced premium(s) for the period(s) of coverage immediately following what would have been the last period subject to the premium reduction. This payment must be made by the later of February 17, 2010, 30 days from the date this notice was provided to you, or the end of the otherwise applicable payment grace period.

All periodic payments for continuation coverage should be sent to: [*enter appropriate payment address*]

You may contact [*enter appropriate contact information, e.g., the Plan Administrator or other party responsible for COBRA administration under the Plan*] to confirm the correct amount of your first payment or to discuss payment issues related to the ARRA premium reduction.

For more information

This notice does not fully describe continuation coverage or other rights under the Plan. More information about continuation coverage and your rights under the Plan is available in your original COBRA election notice, the summary plan description, or from the Plan Administrator.

If you have any questions concerning the information in this notice, your rights to coverage, or if you want a copy of your summary plan description, you should contact [*enter name of party responsible for COBRA administration for the Plan, with telephone number and address*].

State and local government employees may also access the website for the Centers for Medicare and Medicaid Services (CMS) at www.cms.hhs.gov/COBRAContinuationofCov/, or contact them at (866) 400-6689.

Keep Your Plan Informed of Address Changes

In order to protect your and your family's rights, you should keep the Plan Administrator informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to the Plan Administrator.

Summary of the COBRA Premium Reduction Provisions under ARRA, as Amended

President Obama signed the American Recovery and Reinvestment Act (ARRA) on February 17, 2009. On December 19, 2009, the President signed the Department of Defense Appropriations Act, 2010. These laws give "Assistance Eligible Individuals" the right to pay reduced COBRA premiums for periods of coverage beginning on or after February 17, 2009 and can last up to 15 months. To be considered an "Assistance Eligible Individual" and get reduced premiums you:

- **MUST** have a continuation coverage election opportunity related to an involuntary termination of employment that occurred at any time from September 1, 2008 through February 28, 2010;
- **MUST** elect the coverage;
- **MUST NOT** be eligible for Medicare; AND
- **MUST NOT** be eligible for coverage under any other group health plan, such as a plan sponsored by a successor employer or a spouse's employer.*

Individuals whose nine month premium reduction ended also have an opportunity to make a payment to continue coverage at the reduced rates. These payments must be made by the later of February 17, 2010, 30 days from the date the notice regarding the ARRA amendment that extended the premium reduction to 15 months was provided, or the end of the otherwise applicable payment grace period.

♦ IMPORTANT ♦

- ◊ If, after you elect COBRA and while you are paying the reduced premium, you become eligible for other group health plan coverage or Medicare you MUST notify the plan in writing. If you do not, you may be subject to a tax penalty.
- ◊ Electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.
- ◊ The amount of the premium reduction is recaptured for certain high income individuals. If the amount you earn for the year is more than $125,000 (or $250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. For more information, consult your tax preparer or visit the IRS webpage on ARRA at www.irs.gov.

For general information regarding your plan's COBRA coverage you can contact [*enter name of party responsible for COBRA administration for the Plan, with telephone number and address*].

For specific information related to your plan's administration of the ARRA Premium Reduction or to notify the plan of your ineligibility to continue paying reduced premiums, contact [*enter name of party responsible for ARRA Premium Reduction administration for the Plan, with telephone number and address*].
If you are denied treatment as an "Assistance Eligible Individual" you may have the right to have the denial reviewed. For more information regarding reviews or for general information about the ARRA Premium Reduction go to the websites listed below or call **(866) 400-6689**.
www.dol.gov.cobra.html or http://www.cms.hhs.gov/COBRAContinuationofCov

* Generally, this does not include coverage for only dental, vision, counseling, or referral services; coverage under a health flexible spending arrangement; or treatment that is furnished in an on-site medical facility maintained by the employer.

Summary of the COBRA Premium Reduction Provisions under ARRA, as Amended

President Obama signed the American Recovery and Reinvestment Act (ARRA) on February 17, 2009. On December 19, 2009, the President signed the Department of Defense Appropriations Act, 2010. These laws give "Assistance Eligible Individuals" the right to pay reduced COBRA premiums for periods of coverage beginning on or after February 17, 2009 and can last up to 15 months. To be considered an "Assistance Eligible Individual" and get reduced premiums you:

- **MUST** have a continuation coverage election opportunity related to an involuntary termination of employment that occurred at any time from September 1, 2008 through February 28, 2010;
- **MUST** elect the coverage;
- **MUST NOT** be eligible for Medicare; AND
- **MUST NOT** be eligible for coverage under any other group health plan, such as a plan sponsored by a successor employer or a spouse's employer.*

Individuals whose nine month premium reduction ended also have an opportunity to make a payment to continue coverage at the reduced rates. These payments must be made by the later of February 17, 2010, 30 days from the date the notice regarding the ARRA amendment that extended the premium reduction to 15 months was provided, or the end of the otherwise applicable payment grace period.

♦ IMPORTANT ♦

- ◊ If, after you elect COBRA and while you are paying the reduced premium, you become eligible for other group health plan coverage or Medicare you MUST notify the plan in writing. If you do not, you may be subject to a tax penalty.
- ◊ Electing the premium reduction disqualifies you for the Health Coverage Tax Credit. If you are eligible for the Health Coverage Tax Credit, which could be more valuable than the premium reduction, you will have received a notification from the IRS.
- ◊ The amount of the premium reduction is recaptured for certain high income individuals. If the amount you earn for the year is more than $125,000 (or $250,000 for married couples filing a joint federal income tax return) all or part of the premium reduction may be recaptured by an increase in your income tax liability for the year. If you think that your income may exceed the amounts above, you may wish to consider waiving your right to the premium reduction. For more information, consult your tax preparer or visit the IRS webpage on ARRA at www.irs.gov.

For general information regarding your plan's COBRA coverage you can contact [*enter name of party responsible for COBRA administration for the Plan, with telephone number and address*].

For specific information related to your plan's administration of the ARRA Premium Reduction or to notify the plan of your ineligibility to continue paying reduced premiums, contact [*enter name of party responsible for ARRA Premium Reduction administration for the Plan, with telephone number and address*].

If you are denied treatment as an "Assistance Eligible Individual" you may have the right to have the denial reviewed. For more information regarding reviews or for general information about the ARRA Premium Reduction go to the websites listed below or **call (866) 400-6689**.

www.dol.gov.cobra.html or http://www.cms.hhs.gov/COBRAContinuationofCov/

* Generally, this does not include coverage for only dental, vision, counseling, or referral services; coverage under a health flexible spending arrangement; or treatment that is furnished in an on-site medical facility maintained by the employer.

To apply for ARRA Premium Reduction, complete this form and return it to: [*Enter Name and Address*]

You may also want to read the important information about your rights included in the "Summary of the COBRA Premium Reduction Provisions under ARRA, as Amended."

Campus Name and Address:	**REQUEST FOR TREATMENT AS AN ASSISTANCE ELIGIBLE INDIVIDUAL**	Attn: Health Plan Carrier Mail Employer Invoices to: CSU, Chancellor's Office Human Resources Management 401 Golden Shore Long Beach, CA 90802 562.951.4411
California State University Campus Address Here		

PERSONAL INFORMATION

Name and mailing address of employee (list any dependents on the back of this form)	Telephone number
	E-mail address (optional)

To qualify, you must be able to check 'Yes' for all statements.

1. The loss of employment was involuntary.	☐ Yes ☐ No
2. The loss of employment occurred at some point on or after **September 1, 2008 and on or before February 28, 2010**.	☐ Yes ☐ No
3. I elected (or am electing) COBRA continuation coverage.	☐ Yes ☐ No
4. I am NOT eligible for other group health plan coverage (or I was not eligible for other group health plan coverage during the period for which I am claiming a reduced premium).	☐ Yes ☐ No
5. I am NOT eligible for Medicare (or I was not eligible for Medicare during the period for which I am claiming a reduced premium).	☐ Yes ☐ No

THIS SECTION WAS INTENTIONALLY LEFT BLANK

I make an election to exercise my right to the ARRA Premium Reduction. To the best of my knowledge and belief all of the answers I have provided on this form are true and correct.

Signature → _____ Date → _____

Type or print name → _____ Relationship to employee → _____

FOR EMPLOYER OR PLAN USE ONLY

This application is: ☐ Approved ☐ Denied ☐ Approved for some/denied for others (explain in #4 below)

Specify reason below and then return a copy of this form to the applicant.

REASON FOR DENIAL OF TREATMENT AS AN ASSISTANCE ELIGIBLE INDIVIDUAL

1. Loss of employment was voluntary.	☐
2. The involuntary termination did not occur between September 1, 2008 and February 28, 2010.	☐
3. Individual did not elect COBRA coverage.	☐
4. Other (please explain)	☐

Signature of employer, plan administrator, or other party responsible for COBRA administration for the Plan

→ _____ Date → _____

Type or print name → _____

Telephone number → _____ E-mail address → _____

DEPENDENT INFORMATION (Parent or guardian should sign for minor children.)

Name Date of Birth Relationship to Employee SSN (or other identifier)

a. _____

1. I elected (or am electing) COBRA continuation coverage.	☐ Yes☐ No
2. I am NOT eligible for other group health plan coverage.	☐ Yes☐ No
3. I am NOT eligible for Medicare.	☐ Yes☐ No

I make an election to exercise my right to the ARRA Premium Reduction. To the best of my knowledge and belief all of the answers I have provided on this form are true and correct.

Signature → _____ Date → _____

Type or print name → _____ Relationship to employee → _____

Name Date of Birth Relationship to Employee SSN (or other identifier)

b. _____

1. I elected (or am electing) COBRA continuation coverage.	☐ Yes☐ No
2. I am NOT eligible for other group health plan coverage.	☐ Yes☐ No
3. I am NOT eligible for Medicare.	☐ Yes☐ No

I make an election to exercise my right to the ARRA Premium Reduction. To the best of my knowledge and belief all of the answers I have provided on this form are true and correct.

Signature → _____ Date → _____

Type or print name → _____ Relationship to employee → _____

Name Date of Birth Relationship to Employee SSN (or other identifier)

c. _____

1. I elected (or am electing) COBRA continuation coverage.	☐ Yes☐ No
2. I am NOT eligible for other group health plan coverage.	☐ Yes☐ No
3. I am NOT eligible for Medicare.	☐ Yes☐ No

I make an election to exercise my right to the ARRA Premium Reduction. To the best of my knowledge and belief all of the answers I have provided on this form are true and correct.

Signature → _____ Date → _____

Type or print name → _____ Relationship to employee → _____

This form is designed for plans to distribute to COBRA qualified beneficiaries who are paying reduced premiums pursuant to ARRA so they can notify the plan if they become eligible for other group health plan coverage or Medicare.

Use this form to notify your plan that you are eligible for other group health plan coverage or Medicare.

Plan Name	**Participant Notification**	Plan Mailing Address

PERSONAL INFORMATION

Name and mailing address	Telephone number
	E-mail address (optional)

PREMIUM REDUCTION INELIGIBILITY INFORMATION – Check one

I am eligible for coverage under another group health plan. If any dependents are also eligible, include their names below. Insert date you became eligible_____	☐
I am eligible for Medicare. Insert date you became eligible_____	☐

IMPORTANT

If you fail to notify your plan of becoming eligible for other group health plan coverage or Medicare AND continue to pay reduced COBRA premiums you could be subject to a fine of 110% of the amount of the premium reduction.

Eligibility is determined regardless of whether you take or decline the other coverage.

However, eligibility for coverage does not include any time spent in a waiting period.

To the best of my knowledge and belief all of the answers I have provided on this form are true and correct.

Signature ➔ _____ Date ➔ _____

Type or print name ➔ _____

If you are eligible for coverage under another group health plan and that plan covers dependents you must also list their names here:

_____ _____

_____ _____

CALIFORNIA STATE UNIVERSITY – 2010 MONTHLY COBRA RATES WITH AND WITHOUT COBRA PREMIUM SUBSIDY

CalPERS Medical Plans – COBRA AND COBRA SUBSIDY MONTHLY PREMIUM RATES*										
Plan Code	Plan Name	COBRA Premium Rates			COBRA Subsidy Premium Rates – Employee (35%)			COBRA Subsidy Premium Rates – Employer (65%)		
		1 Party	2 Party	3 Party	1 Party	2 Party	3 Party	1 Party	2 Party	3 Party
205	Blue Shield HMO	$527.43	$1,054.86	$1,371.32	$184.60	$369.20	$479.96	$342.83	$685.66	$891.36
141	Blue Shield Advantage	$527.43	$1,054.86	$1,371.32	$184.60	$369.20	$479.96	$342.83	$685.66	$891.36
042	Blue Shield NetValue	$456.78	$913.55	$1,187.62	$159.87	$319.74	$415.67	$296.91	$593.81	$771.95
146	Blue Shield NetValue Advantage	$456.78	$913.55	$1,187.62	$159.87	$319.74	$415.67	$296.91	$593.81	$771.95
056	Kaiser	$504.89	$1,009.78	$1,312.71	$176.71	$353.42	$459.45	$328.18	$656.36	$853.26
**	Kaiser Out-of-State	$739.18	$1,478.37	$1,921.87	$258.71	$517.43	$672.65	$480.47	$960.94	$1,249.22
278	PERSCARE	$848.13	$1,696.26	$2,205.14	$296.85	$593.69	$771.80	$551.28	$1,102.57	$1,433.34
222	PERS Choice	$497.00	$993.99	$1,292.19	$173.95	$347.90	$452.27	$323.05	$646.09	$839.92
045	PERS Select	$463.97	$927.93	$1,206.31	$162.39	$324.78	$422.21	$301.58	$603.15	$784.10
207	PORAC	$493.68	$924.12	$1,174.02	$172.79	$323.44	$410.91	$320.89	$600.68	$763.11

DELTACARE USA COBRA AND COBRA SUBSIDY MONTHLY PREMIUM RATES									
Dental Plan	Group Number COBRA	Eligible Group	Enrollment	COBRA Premium	Group Number COBRA Subsidy	Enrollment	COBRA Subsidy Premium – Employee (35%)	Enrollment	COBRA Subsidy Premium – Employer (65%)
DeltaCare USA Basic	02034-0011	Public Safety (Unit 8) CMA Operating Engineers (Unit 10) Excluded (E99), including SFSU Headstart (E99) Teaching Associates (Unit 11) SFSU Headstart Employees (Unit 12)	Single Person Two People Three or More	$19.01 $31.37 $46.37	02034-0013	Single Person Two People Three or More	$6.65 $10.98 $16.23	Single Person Two People Three or More	$12.36 $20.39 $30.14
DeltaCare USA Enhanced	02034-0012	Executive (M98) MPP (M80) Confidential (C99) Physicians (Unit 1) CSUEU (Units 2, 5, 7, 9) Faculty (Unit 3) Academic Support (Unit 4) Skilled Crafts (Unit 6) FERP Annuitants	Single Person Two People Three or More	$25.26 $41.70 $61.66	02034-0014	Single Person Two People Three or More	$8.84 $14.60 $21.58	Single Person Two People Three or More	$16.42 $27.10 $40.08

Delta Dental PPO – COBRA and COBRA Subsidy Premium Rates									
Dental Plan	Group Number COBRA	Eligible Group	Enrollment	COBRA Premium	Group Number COBRA Subsidy	Enrollment	COBRA Subsidy Premium Rates – Employee (35%)	Enrollment	COBRA Subsidy Premium Rates – Employer (65%)
Delta Basic	4918-2091	Public Safety (Unit 8) Excluded (E99 – except class 1237) CalPERS/CalSTRS Annuitants	Single Person Two People Three or More	$29.66 $56.03 $112.52	4918-2092	Single Person Two People Three or More	$10.38 $19.61 $39.38	Single Person Two People Three or More	$19.28 $36.42 $73.14
Delta Enhanced Level I	4918-3091	CMA Operating Engineers (Unit 10) Excluded (E99 – class 1237 only) Teaching Associates (Unit 11) SFSU Headstart Employees (Unit 12)	Single Person Two People Three or More	$36.10 $68.29 $140.76	4918-3092	Single Person Two People Three or More	$12.63 $23.90 $49.27	Single Person Two People Three or More	$23.47 $44.39 $91.49
Delta Enhanced Level II	4918-4091	Executive (M98) Management Personnel (M80) Confidential (C99) Physicians (Unit 1) CSEA (Units 2, 5, 7, 9) Faculty (Unit 3) Academic Support (Unit 4) Skilled Crafts (Unit 6) FERP Annuitants	Single Person Two People Three or More	$44.68 $84.29 $164.67	4918-4092	Single Person Two People Three or More	$15.64 $29.50 $57.63	Single Person Two People Three or More	$29.04 $54.79 $107.04

CSU VISION PLAN - ACTIVES		
COBRA Premium	COBRA Subsidy – Employee (35%)	COBRA Subsidy – Employer (65%)
$9.31	$3.26	$6.05

**Please note: CalPERS COBRA Rates are subject to verification by CalPERS.*

SEC. 1008. (a) For purposes of the continued extension of surface transportation programs and related authority to make expenditures from the Highway Trust Fund and other trust funds under sections 157 through 162 of the Continuing Appropriations Resolution, 2010, the date specified in section 106(3) of such resolution shall be deemed to be February 28, 2010.

(b) Section 158(c) is amended by striking the period at the end and inserting "except for the rescission made by section 123 of division I of the Omnibus Appropriations Act, 2009. The amount made available for each of the apportioned Federal-aid highway programs under subsection (a) shall be reduced by an amount equaling $33,401,492 multiplied by the amount calculated under subsection (a) and divided by $23,941,505,262".

SEC. 1009. (a)(1) Section 4007 of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended—

(A) by striking "December 31, 2009" each place it appears and inserting "February 28, 2010";

(B) in the heading for subsection (b)(2), by striking "DECEMBER 31, 2009" and inserting "FEBRUARY 28, 2010"; and

(C) in subsection (b)(3), by striking "May 31, 2010" and inserting "July 31, 2010".

(2) Section 2002(e) of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 438), is amended—

(A) in paragraph (1)(B), by striking "before January 1, 2010" and inserting "on or before February 28, 2010";

(B) in the heading for paragraph (2), by striking "JANUARY 1, 2010" and inserting "FEBRUARY 28, 2010"; and

(C) in paragraph (3), by striking "June 30, 2010" and inserting "August 31, 2010".

(3) Section 2005 of the Assistance for Unemployed Workers and Struggling Families Act, as contained in Public Law 111–5 (26 U.S.C. 3304 note; 123 Stat. 444), is amended—

(A) by striking "January 1, 2010" each place it appears and inserting "February 28, 2010"; and

(B) in subsection (c), by striking "June 1, 2010" and inserting "July 31, 2010".

(4) Section 5 of the Unemployment Compensation Extension Act of 2008 (Public Law 110–449; 26 U.S.C. 3304 note) is amended by striking "May 30, 2010" and inserting "July 31, 2010".

(b) Section 4004(e)(1) of the Supplemental Appropriations Act, 2008 (Public Law 110–252; 26 U.S.C. 3304 note) is amended by striking "by reason of" and all that follows and inserting the following: "by reason of—

"(A) the amendments made by section 2001(a) of the Assistance for Unemployed Workers and Struggling Families Act;

"(B) the amendments made by sections 2 through 4 of the Worker, Homeownership, and Business Assistance Act of 2009; and

"(C) the amendments made by section 1009 of the Department of Defense Appropriations Act, 2010; and".

(c) Amounts in this section are designated as emergency requirements and necessary to meet emergency needs pursuant to sections 403 and 423(b) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

SEC. 1010. (a) EXTENSION OF ELIGIBILITY PERIOD.—Subsection (a)(3)(A) of section 3001 of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5) is amended by striking "December 31, 2009" and inserting "February 28, 2010".

(b) EXTENSION OF MAXIMUM DURATION OF ASSISTANCE.—Subsection (a)(2)(A)(ii)(I) of such section is amended by striking "9 months" and inserting "15 months".

(c) RULES RELATED TO 2009 EXTENSION.—Subsection (a) of such section is further amended by adding at the end the following:

"(16) RULES RELATED TO 2009 EXTENSION.—

"(A) ELECTION TO PAY PREMIUMS RETROACTIVELY AND MAINTAIN COBRA COVERAGE.—In the case of any premium for a period of coverage during an assistance eligible individual's transition period, such individual shall be treated for purposes of any COBRA continuation provision as having timely paid the amount of such premium if—

"(i) such individual was covered under the COBRA continuation coverage to which such premium relates for the period of coverage immediately preceding such transition period, and

"(ii) such individual pays, not later than 60 days after the date of the enactment of this paragraph (or, if later, 30 days after the date of provision of the notification required under subparagraph (D)(ii)), the amount of such premium, after the application of paragraph (1)(A).

"(B) REFUNDS AND CREDITS FOR RETROACTIVE PREMIUM ASSISTANCE ELIGIBILITY.—In the case of an assistance eligible individual who pays, with respect to any period of COBRA continuation coverage during such individual's transition period, the premium amount for such coverage without regard to paragraph (1)(A), rules similar to the rules of paragraph (12)(E) shall apply.

"(C) TRANSITION PERIOD.—

"(i) IN GENERAL.—For purposes of this paragraph, the term 'transition period' means, with respect to any assistance eligible individual, any period of coverage if—

"(I) such period begins before the date of the enactment of this paragraph, and

"(II) paragraph (1)(A) applies to such period by reason of the amendment made by section 1010(b) of the Department of Defense Appropriations Act, 2010.

"(ii) CONSTRUCTION.—Any period during the period described in subclauses (I) and (II) of clause (i) for which the applicable premium has been paid pursuant to subparagraph (A) shall be treated as a period of coverage referred to in such paragraph, irrespective of any failure to timely pay the applicable premium (other than pursuant to subparagraph (A)) for such period.

"(D) NOTIFICATION.—

"(i) IN GENERAL.—In the case of an individual who was an assistance eligible individual at any time on or after October 31, 2009, or experiences a qualifying event (consisting of termination of employment)

relating to COBRA continuation coverage on or after such date, the administrator of the group health plan (or other entity) involved shall provide an additional notification with information regarding the amendments made by section 1010 of the Department of Defense Appropriations Act, 2010, within 60 days after the date of the enactment of such Act or, in the case of a qualifying event occurring after such date of enactment, consistent with the timing of notifications under paragraph (7)(A).

"(ii) TO INDIVIDUALS WHO LOST ASSISTANCE.—In the case of an assistance eligible individual described in subparagraph (A)(i) who did not timely pay the premium for any period of coverage during such individual's transition period or paid the premium for such period without regard to paragraph (1)(A), the administrator of the group health plan (or other entity) involved shall provide to such individual, within the first 60 days of such individual's transition period, an additional notification with information regarding the amendments made by section 1010 of the Department of Defense Appropriations Act, 2010, including information on the ability under subparagraph (A) to make retroactive premium payments with respect to the transition period of the individual in order to maintain COBRA continuation coverage.

"(iii) APPLICATION OF RULES.—Rules similar to the rules of paragraph (7) shall apply with respect to notifications under this subparagraph.".

(d) CLARIFICATION THAT ELIGIBILITY AND NOTICE IS BASED ON TIMING OF QUALIFYING EVENT.—Subsection (a) of such section is amended—

(1) in paragraph (3)(A)—

(A) by striking "at any time" and inserting "such qualified beneficiary is eligible for COBRA continuation coverage related to a qualifying event occurring"; and

(B) by striking ", such qualified beneficiary is eligible for COBRA continuation coverage"; and

(2) in paragraph (7)(A), by striking "become entitled to elect COBRA continuation coverage" and inserting "have a qualifying event relating to COBRA continuation coverage".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the provisions of section 3001 of division B of the American Recovery and Reinvestment Act of 2009 to which they relate.

(f) EMERGENCY DESIGNATIONS.—

(1) IN GENERAL.—Amounts in this section are designated as emergency requirements and necessary to meet emergency needs pursuant to sections 403 and 423(b) of S. Con. Res. 13 (111th Congress), the concurrent resolution on the budget for fiscal year 2010.

(2) PAYGO.—All applicable provisions in this section are designated as an emergency for purposes of pay-as-you-go principles.

SEC. 1011. (a) IN GENERAL.—Section 1848(d) of the Social Security Act (42 U.S.C. 1395w–4(d)) is amended by adding at the end the following new paragraph:

"(10) UPDATE FOR PORTION OF 2010.—

"(A) IN GENERAL.—Subject to paragraphs (7)(B), (8)(B), and (9)(B), in lieu of the update to the single conversion factor established in paragraph (1)(C) that would otherwise apply for 2010 for the period beginning on January 1, 2010, and ending on February 28, 2010, the update to the single conversion factor shall be 0 percent for 2010.

"(B) NO EFFECT ON COMPUTATION OF CONVERSION FACTOR FOR REMAINING PORTION OF 2010 AND SUBSEQUENT YEARS.—The conversion factor under this subsection shall be computed under paragraph (1)(A) for the period beginning on March 1, 2010, and ending on December 31, 2010, and for 2011 and subsequent years as if subparagraph (A) had never applied.".

(b) FUNDING FROM MEDICARE IMPROVEMENT FUND.—Section 1898(b)(1) of such Act (42 U.S.C. 1395iii(b)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking "$22,290,000,000" and inserting "$20,740,000,000"; and

(B) by striking "and" at the end;

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

"(B) fiscal year 2015, $550,000,000; and".

SEC. 1012. Notwithstanding any other provision of law, the Secretary of Health and Human Services shall not publish updated poverty guidelines for 2010 under section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9902(2)) before March 1, 2010, and the poverty guidelines published under such section on January 23, 2009, shall remain in effect until updated poverty guidelines are published.

SEC. 1013. From the "National Telecommunications and Information Administration—Digital-to-Analog Converter Box Program" in the Department of Commerce, $128,000,000 is hereby rescinded.

SEC. 1014. The explanatory statement regarding this Act printed in the House of Representatives section of the Congressional Record on or about December 16, 2010, by the Chairman of the Subcommittee on Defense of the Committee on Appropriations of the House of Representatives shall have the same effect with respect

to the allocation of funds and implementation of this Act as if it were a joint explanatory statement of a committee of conference.

Speaker of the House of Representatives.

Vice President of the United States and
President of the Senate.