



What will be the effective date of coverage for someone who now elects COBRA as a result of the new law?

- The exact effective date of COBRA coverage depends on individual circumstances, including such factors as when the employment termination occurred and when the individual elects COBRA, but **March 1, 2009** is the first date that anyone could have been eligible for a reduced premium for their VSP vision coverage.
- Section 3001(a)(4)(B)(i) of the new law states that coverage will begin with the first period of coverage beginning on or after the 2/17/2009 enactment of the law. VSP bills monthly for coverage. If all criteria for subsidy are met and the client submits the full COBRA premium to VSP, coverage can be obtained as of March 1, 2009.

Does the new law provide subsidies for vision coverage under COBRA?

Yes. The new law allows a 65% subsidy for vision coverage for each Assistance Eligible Individual (AEI). VSP has confirmed this directly with the U.S. Department of Labor

Will notice be sent by VSP to COBRA beneficiaries or is that the client's/employer's responsibility?

- **For employer groups of 20 or more employees:** It's the employer's responsibility to send notice, according to U.S. Department of Labor (DOL) guidance on this subject. Please see the DOL's discussion of the "Special COBRA Election Opportunity."
<http://www.dol.gov/ebsa/newsroom/fsCOBRAPremiumReduction.html>.
- **For employer groups with fewer than 20 employees:** Employer groups with fewer than 20 employees are not subject to the federal requirement to provide COBRA notices, but notice must be provided if required under state law.
- **For employer groups for which VSP already serves as COBRA administrator:** VSP plans to send out forms that can be used to report to us the names of qualified beneficiaries to whom the client requests that we send COBRA notices and election forms.

Who are the Assistance Eligible Individuals (AEIs) who can obtain subsidies?

- AEIs are individuals who lost their group vision coverage as a result of an involuntary termination of employment occurring September 1, 2008 through December 31, 2009. This includes covered spouses and/or dependents who lost their group vision coverage as a result of the involuntary termination of the employee under whom the spouse and/or dependent had group vision coverage. In order to qualify for a subsidy, the individual also has to be eligible for COBRA coverage and must elect it. Finally, an individual who is eligible for other group coverage, such as a spouse's plan or Medicare is not eligible for a subsidy.

How will VSP administer COBRA benefits now that the new law is in effect?

VSP will continue to provide COBRA coverage for qualified beneficiaries that our clients report to us as being eligible.

Where can we obtain guidance from government agencies?

- U.S. Department of Labor (DOL) Web page: <http://www.dol.gov/ebsa/cobra.html>
- IRS Web page: <http://www.irs.gov/newsroom/article/0,,id=204505,00.html>
- Centers for Medicare & Medicaid Services:
<http://www.cms.hhs.gov/COBRAContinuationofCov/>