



NEWS RELEASE

Insurance Division, 350 Winter St. NE, Room 200, Salem, Oregon 97301-3878

For immediate release:
Dec. 23, 2009

Lisa Morawski
503-947-7897
Ron Fredrickson, Insurance Division
503-947-7277

Extended health insurance subsidy will help unemployed Oregonians

Salem, Oregon – Oregonians who have been laid off from their jobs can continue to receive help paying for health insurance into 2010. The Insurance Division of the Department of Consumer and Business Services is adopting emergency rules to ensure that eligible Oregonians can continue to get the subsidies past the original December 31 expiration date.

President Obama signed legislation this week to extend the health insurance subsidies that are part of the American Recovery and Reinvestment Act of 2009 (ARRA). The program originally included nine months of subsidy, and the new legislation provides an additional six months for people already receiving help (bringing the total to 15 months). The new law also extends the eligibility period for two months (the program was scheduled to end Dec. 31), so people involuntarily terminated through Feb. 28, 2010 can receive 15 months of subsidy.

“Many Oregonians were concerned they would have to drop health care coverage once the federal subsidy ran out,” said Teresa Miller, administrator of the Oregon Department of Consumer and Business Services’ Insurance Division. “The extension brings much-needed help to out-of-work Oregonians.”

Under the program, the government pays 65 percent of monthly premiums for workers who are involuntarily terminated, assuming their former employer remains in business and continues to offer health insurance. These employees have rights to keep their former group coverage for a limited time under both state and federal law. Generally, however, they must pay the full cost themselves. With the subsidies, people who qualify pay 35 percent of the costs and the federal government picks up the remainder of the premium – potentially saving hundreds of dollars monthly. 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.

The Insurance Division today filed temporary rules to implement the subsidy extension for health plans offered by small employers. Large employer plans are covered by the federal COBRA law.

Insurance companies or employers are required to notify people about the program extension and their opportunity for additional subsidies.

Additional information

People who worked for employers with more than 20 employees and are keeping their insurance under COBRA law can find additional information at: 1-866-444-3272 or by visiting www.dol.gov/cobra.

People who worked for employers with 20 or fewer employees can call their insurance company or the Oregon Insurance Division. The division’s consumer advocates can be reached at: 1-503-947-7984 or toll-free at 1-888-877-4894.

###

The Insurance Division, part of the Department of Consumer & Business Services, helps ensure the financial soundness of insurers, the fair treatment of consumers, and the affordability and availability of insurance products. For more information, visit www.insurance.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.