



Premium Assistance Extension Advisory
February 17, 2010

As we notified you in early January, 2010, we are required by federal law to provide you this notice about new rights you may have.

This Advisory contains important information about additional rights you may have under your State Health Benefit Plan (Plan) Temporary Extended Coverage/COBRA continuation coverage. Please read this Advisory very carefully.

Why am I getting this Advisory? You are getting this Premium Assistance Extension Advisory because you qualified as an Assistance Eligible Individual under the COBRA Premium Assistance provisions of the American Recovery and Reinvestment Act of 2009 on October 31, 2009.

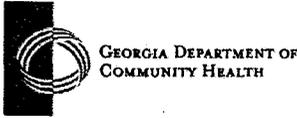
Why is it important to read this Advisory and the attached "SHBP Temporary Extended Coverage/COBRA Coverage Conditions Supplement for ARRA Premium Reduction Rights & Summary of ARRA Rights, As Amended"? When you qualified as an Assistance Eligible Individual and elected Temporary Extended Coverage under the Plan, the maximum period of COBRA Premium Reduction was nine months. The Department of Defense Appropriations Act, 2010, extended this period to fifteen months and created new rights that may affect you. In general, as a result of this law:

- You do not have any additional rights to enroll in Temporary Extended Coverage/COBRA continuation coverage.
- You do not need to re-apply as an Assistance Eligible Individual.
- You do have additional rights to extend your period of subsidized coverage.
- If your continuation coverage stopped because you stopped paying premiums after nine months, you have rights to make retroactive payments and have your continuation coverage reinstated.
- If you paid the full COBRA premium for a month for which you were entitled to pay a reduced premium, you will receive a credit for the extra amount you paid.

Please feel free to contact Deann Maher at (404) 651-6090 ext. 238 with any questions about this notice or your premium reduction status.

You should read the attached notice carefully. In particular, reference the "Summary of the COBRA Premium Reduction Provisions under ARRA, as Amended" with details regarding eligibility, restrictions, and obligations. Please note that some of the information does not apply to you, and some of the documents referenced are not included, because you have already elected COBRA and were previously approved as an Assistance Eligible Individual.

Enclosures: SHBP Temporary Extended Coverage/COBRA Coverage Conditions Supplement for ARRA Premium Reduction Rights & Summary of ARRA Rights, As Amended; COBRA Premium Rates; Other Coverage Availability Form



February 17, 2010

**SHBP Temporary Extended Coverage/COBRA Coverage Conditions
Supplement for ARRA Premium Reduction Rights &
Summary of ARRA Rights, As Amended**

This notice contains important information about additional rights to purchase continuation coverage under the State Health Benefit Plan (the Plan) at a reduced premium. Please read this notice very carefully. You are getting this notice because you lost coverage under the SHBP due to a qualifying event occurring during the period starting September 1, 2008 and ending February 28, 2010. If you lost SHBP coverage due to an involuntary termination of employment, the American Recovery and Reinvestment Act of 2009 (ARRA), as amended by the Department of Defense Appropriations Act, 2010, may give you and any dependents who were enrolled in the Plan at the time of the involuntary termination the right to pay reduced Temporary Extended Coverage/COBRA Coverage premiums. The SHBP term "Temporary Extended Coverage" is the same as COBRA coverage.

What is in this packet of information? There are five other documents in this packet.

- 1) Letter notifying you of SHBP coverage termination and your right to elect Temporary Extended Coverage (front) and SHBP Enrollment Form (back)*
- 2) SHBP Enrollment Instructions/Conditions for Temporary Extended Coverage Form*
- 3) Application for Treatment as an Assistance Eligible Individual, As Amended*
- 4) COBRA Premium Rates
- 5) Other Coverage Availability Form

** These enclosures are not included if you were already enrolled in COBRA and receiving premium assistance on October 31, 2009. All sections in this notice marked with an * do NOT apply to you.*

***My dependents and I did lose SHBP coverage due to an involuntary termination of employment that happened during the period starting September 1, 2009 and ending February 28, 2010. What are our rights?** Your COBRA rights are described on the enclosed form entitled SHBP Enrollment Instructions and Conditions for Temporary Extended Coverage. In addition to these COBRA rights, you and some or all of your dependents may be able to pay a reduced premium for COBRA coverage. The "Summary of the COBRA Premium Reduction Provisions under ARRA, As Amended" has details about eligibility, restrictions, and obligations. To prove that you or your dependents are eligible to pay a reduced premium, you will need to complete the "Application for Treatment as an Assistance Eligible Individual, As Amended" so review it carefully.

***I read the information, and I want to elect COBRA now and pay the reduced premium. What should I do?**

- 1) Complete parts II, IV, V and VI of the SHBP Enrollment Form and follow the directions on the Form.
- 2) Complete the “**Application for Treatment as an Assistance Eligible Individual, As Amended**” and follow its directions. **NOTE: you will need to have part of this Form completed by the Human Resources Manager at your former employer.**
- 3) Keep a copy of the completed forms for your records.
- 4) Keep the “Other Coverage Availability Form” to use if necessary.
- 5) Make sure to pay premiums on time as stated in the Enrollment Instructions and Conditions for Temporary Extended Coverage. You must pay the full COBRA premium unless you are notified by the SHBP that you are eligible for the reduced premium rate. For more information, please review your SPD, which can be viewed at www.dch.georgia.gov/shbp.

***Am I eligible for the premium reduction?** If you lost group health coverage due to an involuntary termination of employment occurring during the period from September 1, 2008 through February 28, 2010, and are not eligible for Medicare or other group health plan coverage, you may be entitled to receive the premium reduction. You should complete the Application for Treatment as an Assistance Eligible Individual, As Amended.

***What if my Application for Treatment as an Assistance Eligible Individual is denied?** If your Application is denied, you will have the chance to appeal the decision to the Department of Health and Human Services. You will get information about how to do this in the denial notice.

How much does COBRA continuation coverage cost? The SHBP uses the “Application for Treatment as an Assistance Eligible Individual, As Amended” to see if you and your dependents are allowed to pay the reduced COBRA premium. For each person who is approved as an Assistance Eligible Individual, you need only pay 35 percent of the COBRA premium otherwise due to the plan. This premium reduction is available for up to fifteen months. If your COBRA continuation coverage lasts for more than fifteen months, you will have to pay the full amount to continue your COBRA continuation coverage. See the enclosed “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. If you and your covered dependents are not eligible for the COBRA Premium Reduction, you will pay the normal COBRA premium rates set forth on the COBRA Rates Notice.

If you and your covered dependents are all eligible for the COBRA Premium Reduction, you will pay 35 percent of the normal COBRA premium rates for up to fifteen months. If some, but not all of you and your covered dependents are eligible for the COBRA Premium Reduction, you will be required to pay a COBRA premium that gives the Premium Reduction only to those who are “Assistance Eligible Individuals.” You will be notified of the required Premium when your Application for Treatment as an Assistance Eligible Individual is approved or denied.

***What are the deadlines for electing COBRA coverage and paying COBRA premiums?** The deadline for electing COBRA coverage is stated on the enclosed letter notifying you of SHBP coverage termination. All other rules about COBRA coverage, including payment deadlines, are in the Enrollment Instructions and Conditions for Temporary Extended Coverage Form.

What if I am eligible for the COBRA Premium Reduction and I paid for COBRA at the reduced rate for nine months and then stopped? If you stopped paying COBRA premiums after nine months of paying at the Premium Reduction rate, you may make a special payment so you can take advantage of the extension of the Premium Reduction period to fifteen months. A COBRA premium must be paid for every month of coverage. In order to continue COBRA coverage at the Premium Reduction rate when you missed payments, you must make a retroactive payment 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. If you stopped paying COBRA premiums at the reduced rate before you had exhausted nine months, you may not re-enroll in COBRA.

What if I have been notified that I am eligible for assistance under the Trade Act of 2002? If you pay reduced COBRA premiums under the ARRA Premium Reduction rules, you will not be able to take a tax credit under the Trade Act of 2002. 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 percent 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 percent 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 nonforfeitable 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 Trade Act 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.]

What if I have more questions? If you have any questions about this notice or your rights to COBRA continuation coverage, you should contact the State Health Benefit Plan at (404) 656-6322 or (800) 610-1863. You may also write to State Health Benefit Plan, P.O. Box 1990, Atlanta, GA 30301-1990. You may also contact HHS-CMS at www.cms.hhs.gov/COBRAContinuationofCov/ or NewCobraRights@cms.hhs.gov.

Remember: Keep Your Plan Informed of Address Changes. In order to protect your and your family's rights, you should keep the Plan 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.



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 information regarding your COBRA coverage, the administration of the ARRA Premium Reduction, or to notify the plan of your ineligibility to continue paying reduced premiums, contact the State Health Benefit Plan, P.O. Box 1990, Atlanta, GA 30301-1990 or phone (404) 656-6322 or (800) 610-1863.

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: www.dol.gov/COBRA or call 1-866-444-EBSA (3272)

* 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.

**State Health Benefit Plan - COBRA Subsidy Premium Rates for Calendar Year 2009
Full Rates and 35% COBRA Temporary Extended Coverage Rates 2009**

	EE		EE & CH		EE & SP		EE+CH+SP	
	Full Premium	35% Premium*						
United PPO	\$407.52	\$142.63	\$733.52	\$256.73	\$937.26	\$328.04	\$1,141.02	\$399.36
United PPO Tobacco Surcharge	\$447.52	\$156.63	\$773.52	\$270.73	\$977.26	\$342.04	\$1,181.02	\$413.36
United PPO Spouse Surcharge	na	na	na	na	\$967.26	\$338.54	\$1,171.02	\$409.86
United PPO Tobacco & Spouse	na	na	na	na	\$1,007.26	\$352.54	\$1,211.02	\$423.86
United HMO	\$400.32	\$140.11	\$720.56	\$252.20	\$920.70	\$322.25	\$1,120.86	\$392.30
United HMO Tobacco Surcharge	\$440.32	\$154.11	\$760.56	\$266.20	\$960.70	\$336.25	\$1,160.86	\$406.30
United HMO Spouse Surcharge	na	na	na	na	\$950.70	\$332.75	\$1,150.86	\$402.80
United HMO Tobacco & Spouse	na	na	na	na	\$990.70	\$346.75	\$1,190.86	\$416.80
United HRA	\$359.24	\$125.73	\$646.60	\$226.31	\$826.20	\$289.17	\$1,005.84	\$352.04
United HRA Tobacco Surcharge	\$399.24	\$139.73	\$686.60	\$240.31	\$866.20	\$303.17	\$1,045.84	\$366.04
United HRA Spouse Surcharge	na	na	na	na	\$856.20	\$299.67	\$1,035.84	\$362.54
United HRA Tobacco & Spouse	na	na	na	na	\$896.20	\$313.67	\$1,075.84	\$376.54
United HDHP	\$301.08	\$105.38	\$541.92	\$189.67	\$692.42	\$242.35	\$842.96	\$295.04
United HDHP Tobacco Surcharge	\$341.08	\$119.38	\$581.92	\$203.67	\$732.42	\$256.35	\$882.96	\$309.04
United HDHP Spouse Surcharge	na	na	na	na	\$722.42	\$252.85	\$872.96	\$305.54
United HDHP Tobacco & Spouse	na	na	na	na	\$762.42	\$266.85	\$912.96	\$319.54
Cigna PPO	\$396.28	\$138.70	\$713.30	\$249.66	\$911.44	\$319.00	\$1,109.56	\$388.35
Cigna PPO Tobacco Surcharge	\$436.28	\$152.70	\$753.30	\$263.66	\$951.44	\$333.00	\$1,149.56	\$402.35
Cigna PPO Spouse Surcharge	na	na	na	na	\$941.44	\$329.50	\$1,139.56	\$398.85
Cigna PPO Tobacco & Spouse	na	na	na	na	\$981.44	\$343.50	\$1,179.56	\$412.85
Cigna HMO	\$340.34	\$119.12	\$612.60	\$214.41	\$782.78	\$273.97	\$952.94	\$333.53
Cigna HMO Tobacco Surcharge	\$380.34	\$133.12	\$652.60	\$228.41	\$822.78	\$287.97	\$992.94	\$347.53
Cigna HMO Spouse Surcharge	na	na	na	na	\$812.78	\$284.47	\$982.94	\$344.03
Cigna HMO Tobacco & Spouse	na	na	na	na	\$852.78	\$298.47	\$1,022.94	\$358.03
Cigna HRA	\$359.24	\$125.73	\$646.60	\$226.31	\$826.20	\$289.17	\$1,005.84	\$352.04
Cigna HRA Tobacco Surcharge	\$399.24	\$139.73	\$686.60	\$240.31	\$866.20	\$303.17	\$1,045.84	\$366.04
Cigna HRA Spouse Surcharge	na	na	na	na	\$856.20	\$299.67	\$1,035.84	\$362.54
Cigna HRA Tobacco & Spouse	na	na	na	na	\$896.20	\$313.67	\$1,075.84	\$376.54
Cigna HDHP	\$301.08	\$105.38	\$541.92	\$189.67	\$692.42	\$242.35	\$842.96	\$295.04
Cigna HDHP Tobacco Surcharge	\$341.08	\$119.38	\$581.92	\$203.67	\$732.42	\$256.35	\$882.96	\$309.04
Cigna HDHP Spouse Surcharge	na	na	na	na	\$722.42	\$252.85	\$872.96	\$305.54
Cigna HDHP Tobacco & Spouse	na	na	na	na	\$762.42	\$266.85	\$912.96	\$319.54
Kaiser HMO	\$407.70	\$142.70	\$733.88	\$256.86	\$937.72	\$328.20	\$1,141.58	\$399.55
Kaiser HMO Tobacco Surcharge	\$447.70	\$156.70	\$773.88	\$270.86	\$977.72	\$342.20	\$1,181.58	\$413.55
Kaiser HMO Spouse Surcharge	na	na	na	na	\$967.72	\$338.70	\$1,171.58	\$410.05
Kaiser HMO Tobacco & Spouse	na	na	na	na	\$1,007.72	\$352.70	\$1,211.58	\$424.05

KEY:

- EE: Employee only (or single coverage)
- EE+CH: Employee and child(ren)
- EE+SP: Employee and spouse
- EE+CH+SP: Employee and child(ren) and spouse

*These numbers assume that every person is eligible for the COBRA premium subsidy. If that is not the case, the premium will be higher. Please contact SHBP at 404-656-6322 or 800-610-1863 with questions.

State Health Benefit Plan - COBRA Subsidy Premium Rates for Calendar Year 2010

Full Rates and 35% COBRA Temporary Extended Coverage Rates 2010

Option Description	EE		EE+SP		EE+CH		EE+CH+SP	
	Full Premium	35% Premium*						
UHC OAP	\$459.89	\$160.96	1057.74	\$370.21	\$827.79	\$289.73	\$1,287.68	\$450.69
UHC OAP-Tobacco Surcharge	\$519.89	\$181.96	\$1,117.74	\$391.21	\$887.79	\$310.73	\$1,347.68	\$471.69
UHC OAP-Spousal Surcharge	na	na	\$1,097.74	\$384.21	na	na	\$1,327.68	\$464.69
UHC OAP-Tobacco/Spouse Surcharge	na	na	\$1,157.74	\$405.21	na	na	\$1,387.68	\$485.69
UHC HMO	\$406.80	\$142.38	\$935.64	\$327.47	\$732.24	\$256.28	\$1,139.03	\$398.66
UHC HMO-Tobacco Surcharge	\$466.80	\$163.38	\$995.64	\$348.47	\$792.24	277.28	\$1,199.03	\$419.66
UHC HMO-Spousal Surcharge	na	na	\$975.64	\$341.47	na	na	\$1,179.03	\$412.66
UHC HMO-Tobacco/Spousal Surcharge	na	na	\$1,035.64	\$362.47	na	na	\$1,239.03	\$433.66
UHC HRA	\$397.51	\$139.13	\$914.29	\$320.00	\$715.53	\$250.44	\$1,113.04	\$389.57
UHC HRA-Tobacco	\$457.51	\$160.13	\$974.29	\$341.00	\$775.53	\$271.44	\$1,173.04	\$410.57
UHC HRA-Spousal Surcharge	na	na	\$954.29	\$334.00	na	na	\$1,153.04	\$403.57
UHC HRA-Tobacco/Spousal Surcharge	na	na	\$1,014.29	\$355.00	na	na	\$1,213.04	\$424.57
UHC HDHP	\$345.59	\$120.96	\$794.86	\$278.20	\$622.06	\$217.72	\$967.65	\$338.68
UHC HDHP-Tobacco	\$405.59	\$141.96	\$854.86	\$299.20	\$682.06	\$238.72	\$1,027.65	\$359.68
UHC HDHP- Spousal Surcharge	na	na	\$834.86	\$292.20	na	na	\$1,007.65	\$352.68
UHC HDHP- Tobacco/Spousal Surcharge	na	na	\$894.86	\$313.20	na	na	\$1,067.65	\$373.68
Cigna OAP	\$459.89	\$160.96	\$1,057.74	\$370.21	\$827.79	\$289.73	\$1,287.68	\$450.69
Cigna OAP-Tobacco Surcharge	\$519.89	\$181.96	\$1,117.74	\$391.21	\$887.79	\$310.73	\$1,347.68	\$471.69
Cigna OAP-Spousal Surcharge	na	na	\$1,097.74	\$384.21	na	na	\$1,327.68	\$464.69
Cigna OAP-Tobacco/Spousal Surcharge	na	na	\$1,157.74	\$405.21	na	na	\$1,387.68	\$485.69
Cigna HMO	\$370.19	\$129.57	\$851.42	\$298.00	\$666.34	\$233.22	\$1,036.51	\$362.78
Cigna HMO-Tobacco Surcharge	\$430.19	\$150.57	\$911.42	\$319.00	\$726.34	\$254.22	\$1,096.51	\$383.78
Cigna HMO-Spousal Surcharge	na	na	\$891.42	\$312.00	na	na	\$1,076.51	\$376.78
Cigna HMO-Tobacco/Spousal Surcharge	na	na	\$951.42	\$333.00	na	na	\$1,136.51	\$397.78
Cigna HRA	\$397.51	\$139.13	\$914.29	\$320.00	\$715.53	\$250.44	\$1,113.04	\$389.57
Cigna HRA-Tobacco Surcharge	\$457.51	\$160.13	\$974.29	\$341.00	\$775.53	\$271.44	\$1,173.04	\$410.57
Cigna HRA-Spousal Surcharge	na	na	\$954.29	\$334.00	na	na	\$1,153.04	\$403.57
Cigna HRA-Tobacco/Spousal Surcharge	na	na	\$1,014.29	\$355.00	na	na	\$1,213.04	\$424.57
Cigna HDHP	\$345.59	\$120.96	\$794.86	\$278.20	\$622.06	\$217.72	\$967.65	\$338.68
Cigna HDHP-Tobacco Surcharge	\$405.59	\$141.96	\$854.86	\$299.20	\$682.06	\$238.72	\$1,027.65	\$359.68
Cigna HDHP- Spousal Surcharge	na	na	\$834.86	\$292.20	na	na	\$1,007.65	\$352.68
Cigna HDHP- Tobacco/Spousal Surcharge	na	na	\$894.86	\$313.20	na	na	\$1,067.65	\$373.68

KEY: EE=Employee only, EE+CH=Employee+Child(ren), EE+SP=Employee+Spouse, EE+CH+SP=Employee+Child(ren)+Spouse
These rates assume every person is eligible for the COBRA subsidy. Please contact SHBP at (404) 656-6322 or (800) 810-1863 with questions.

**State Health Benefit Plan
 Notice Form of Eligibility for other
 Group Health Plan Coverage or Medicare
 P. O. Box 1990, Atlanta, GA 30301-1990**

Use this form to notify SHBP that you are eligible for other group health plan coverage or Medicare and are therefore, not eligible for reduced premiums under ARRA.

PERSONAL INFORMATION

Employee First Name: _____ Last Name: _____
 Street: _____ Apt. # _____
 City: _____ State: _____ Zip Code: _____
 Social Security No. _____ Telephone #: _____

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.	<input type="checkbox"/>	Date You became eligible _____
I am eligible for Medicare.	<input type="checkbox"/>	Date You became eligible _____

IMPORTANT NOTICE

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 percent of the amount of the premium reduction.

- Eligibility is determined regardless of whether you take or decline the other coverage
- 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 your dependents become eligible for coverage under another group health plan, you must list their names here.
