COBRA Premium Reduction Extension

The American Recovery and Reinvestment Act of 2009 ("ARRA") provided for a temporary reduction in the COBRA premium paid by individuals who are eligible for COBRA as a result of an involuntary termination of employment. The provisions of ARRA were scheduled to end on December 31, 2009. However, the Department of Defense Appropriations Act of 2010 ("2010 DOD Act") extends the period to qualify for the premium reduction until February 28, 2010, and extends the maximum period for receiving the subsidy from nine to fifteen months.

As a result of the 2010 DOD Act, the COBRA notice requirements have changed. First, plans must provide a General Notice to all qualified beneficiaries who experience a qualifying event through February 28, 2010, and who would be eligible for COBRA or comparable state continuation coverage. Also, a premium assistance extension notice must be sent by February 17, 2010 to individuals receiving a premium subsidy as of October 31, 2009, and to individuals who experienced a qualifying event between October 31, 2009 and December 19, 2009.

The Department of Labor has issued extensive guidance regarding the premium reduction extension including a model COBRA notice.

Please contact us should you need assistance updating your COBRA notices.

HITECH Act Requires Business Associate Action

As the result of the Health Information Technology for Economic and Clinical Health Act (HITECH Act), business associates are now statutorily required to enter into and comply with business associate agreements that outline their obligations under HIPAA. Also, effective February 17, 2010, the HITECH Act requires business associates to directly comply with most provisions of the HIPAA Security rules. This new law will therefore require amendments to current business associate agreements. Business associates must also maintain
written security policies and procedures and comply with the administrative safeguards required by HIPAA.

**Reminder: PLEASE DON'T SEND US PROTECTED HEALTH INFORMATION (PHI)!**

As your employee benefits attorneys and ERISA lawyers, we are happy to assist you with your group health plans. However, due to the stringent privacy and security requirements that come with potentially being considered a business associate with respect to your health plans, we urge you to only send us de-identified information regarding the health information of your plan participants. This may involve removing any identifiers, such as participant name, date of birth, or social security number, before sending us the information. If we need additional information to respond to your inquiry, we will let you know.

Please note that this Benefits Alert only highlights the most significant changes in the law. The details of these changes are complex and beyond the scope of this Alert. We look forward to discussing these changes and how they may impact your plans with you. Please do not hesitate to contact any of the following members of our Employee Benefits and Executive Compensation Practice if you have any questions or if you would like additional information.

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