

CMSP Letter No.: 09-07
Issue Date: June 29, 2009

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: COBRA PREMIUM ASSISTANCE EXEMPTION FOR CMSP

On June 18, 2009 the Department of Health Care Services issued Medi-Cal All County Letter #09-30 concerning the Premium Assistance for Cobra Continuation under the American Recovery and Reinvestment Act (ARRA) of 2009.

For persons who have been involuntarily terminated from their employment between September 1, 2008 and December 31, 2009 who elect to enroll in COBRA coverage the COBRA group health plan or employer will pay the COBRA premium and will receive a reimbursement from the federal government for 65% of the premium amount. The covered individual is responsible for paying the remaining 35%. For individuals who already paid the full COBRA premium after February 17, 2009 they will be directly reimbursed for the overpaid premiums. Under the ARRA any premium reduction or reimbursement the individual may receive is exempt as both income and property for the Medi-Cal program.

On May 28, 2009 the CMSP Governing Board approved a policy proposal that CMSP exempt the COBRA premium reduction and reimbursement as income or property for CMSP eligibility determinations. In order to exclude these payments for CMSP eligibility determinations the applicant/beneficiary will need to provide verification of the beginning date of the premium assistance and the amount of assistance they are eligible for.

If you have any questions about this letter please contact Mr. Gary Varner, CMSP Eligibility Specialist, at (916) 649-2631 x11 or at gvarner@cmspcounties.org.

Thank you,



Lee D. Kemper
Administrative Officer