

111TH CONGRESS
1ST SESSION

S. 2730

To extend and enhance the COBRA subsidy program under the American Recovery and Reinvestment Act of 2009.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 4, 2009

Mr. BROWN (for himself and Mr. CASEY) introduced the following bill; which was read twice and referred to the Committee on Health, Education, Labor, and Pensions

A BILL

To extend and enhance the COBRA subsidy program under the American Recovery and Reinvestment Act of 2009.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “COBRA Subsidy Ex-
5 tension and Enhancement Act of 2009”.

6 **SEC. 2. EXTENSION OF COBRA SUBSIDY PROGRAM.**

7 (a) AMOUNT OF REQUIRED CONTRIBUTION.—Section
8 3001(a)(1)(A) of division B of the American Recovery and
9 Reinvestment Act of 2009 (Public Law 111–5) is amended
10 by striking “35 percent” and inserting “25 percent”.

1 (b) COVERAGE UNDER RETIREE PLANS.—Section
 2 3001(a)(2)(A)(i) of division B of the American Recovery
 3 and Reinvestment Act of 2009 (Public Law 111–5) is
 4 amended by inserting “coverage under retiree group
 5 health plan,” after “Code of 1986),”.

6 (c) EXTENSION OF COVERAGE.—Section
 7 3001(a)(2)(A)(ii) of division B of the American Recovery
 8 and Reinvestment Act of 2009 (Public Law 111–5) is
 9 amended—

10 (1) in subclause (I), by striking “9 months”
 11 and inserting “15 months”;

12 (2) in subclause (II), by strike “or” at the end;

13 (3) in subclause (III), by striking the period
 14 and inserting “; or”; and

15 (4) by adding at the end the following:

16 “(IV) December 31, 2010.”.

17 (d) ASSISTANCE ELIGIBLE INDIVIDUALS.—Section
 18 3001(a)(3) of division B of the American Recovery and
 19 Reinvestment Act of 2009 (Public Law 111–5) is amend-
 20 ed—

21 (1) in subparagraph (A), by striking “Decem-
 22 ber” and all that follows through “is eligible” and
 23 inserting “June 30, 2010, such qualified beneficiary
 24 is or will be eligible, in the next 31 days,”; and

(2) in subparagraph (C), by inserting “or reduction in hours (for purposes of a qualifying event based on a reduction in hours shall only apply to individuals whose reduction in hours was involuntary and occurred on or after the date of enactment of the COBRA Subsidy Extension and Enhancement Act of 2009, except that this parenthetical shall not apply to an employee whose involuntary reduction in hours occurred prior to such date of enactment and is covered by COBRA continuation coverage on such date of enactment) of the covered employee” after “employment”.

(e) EFFECTIVE DATES AND TRANSITION.—

(1) EFFECTIVE DATES.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this section shall be effective as if included in the enactment of the American Recovery and Reinvestment Act of 2009 (Public Law 111–5).

(B) SPECIAL EFFECTIVE DATE.—The amendment made by—

(i) subsection (a) shall take effect on the date of enactment of this Act and shall apply beginning with the first premium payment made by an assistance eligible in-

1 dividual under section 3001 of division B
2 of the American Recovery and Reinvest-
3 ment Act of 2009 (Public Law 111–5)
4 after such date of enactment; and

5 (ii) subsection (b) shall take effect on
6 the date of enactment of this Act.

7 (2) TRANSITIONAL RULE.—

8 (A) IN GENERAL.—In the case of an indi-
9 vidual described in subparagraph (B), under
10 rules established jointly by the Secretaries of
11 Health and Human Services, Treasury, and
12 Labor, the individual may elect to continue and
13 extend COBRA continuation coverage as pro-
14 vided under section 3001 of division B of the
15 American Reinvestment and Recovery Act of
16 2009, through an election similar to the election
17 permitted under section 3001(a)(4)(A) of such
18 division B. In no case shall the extended period
19 of continuation under this paragraph exceed 3
20 months.

21 (B) INDIVIDUAL DESCRIBED.—An indi-
22 vidual described in this subparagraph is an in-
23 dividual whose COBRA continuation coverage—

24 (i) is described in such section 3001;

1 (ii) expired by virtue of reaching the
2 maximum required period of continuation
3 coverage before the date of the enactment
4 of this Act; and

5 (iii) would, but for the application of
6 such maximum required period of such
7 continuation coverage, have continued after
8 such date.

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