111th Congress
1st Session

S.

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

IN THE SENATE OF THE UNITED STATES

__________

introduced the following bill; which was read twice
and referred to the Committee on __________

A BILL

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

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

SECTION 1. SHORT TITLE.

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

SEC. 2. EXTENSION OF COBRA SUBSIDY PROGRAM.

(a) AMOUNT OF REQUIRED CONTRIBUTION.—Section
3001(a)(1)(A) of division B of the American Recovery and
Reinvestment Act of 2009 (Public Law 111-5) is amended
by striking “35 percent” and inserting “25 percent”. 
(b) COVERAGE UNDER RETIREE PLANS.—Section 3001(a)(2)(A)(i) of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) is amended by inserting “coverage under retiree group health plan,” after “Code of 1986),”.

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

1. in subclause (I), by striking “9 months” and inserting “15 months”;
2. in subclause (II), by strike “or” at the end;
3. in subclause (III), by striking the period and inserting ‘‘; or’’; and
4. by adding at the end the following:

“(IV) December 31, 2010.”.

(d) ASSISTANCE ELIGIBLE INDIVIDUALS.—Section 3001(a)(3) of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) is amended—

1. in subparagraph (A), by striking “December” and all that follows through “is eligible” and inserting “June 30, 2010, such qualified beneficiary 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-
dividual under section 3001 of division B of the American Recovery and Reinvestment Act of 2009 (Public Law 111-5) after such date of enactment; and

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

(2) TRANSITIONAL RULE.—

(A) IN GENERAL.—In the case of an individual described in subparagraph (B), under rules established jointly by the Secretaries of Health and Human Services, Treasury, and Labor, the individual may elect to continue and extend COBRA continuation coverage as provided under section 3001 of division B of the American Reinvestment and Recovery Act of 2009, through an election similar to the election permitted under section 3001(a)(4)(A) of such division B. In no case shall the extended period of continuation under this paragraph exceed 3 months.

(B) INDIVIDUAL DESCRIBED.—An individual described in this subparagraph is an individual whose COBRA continuation coverage —

(i) is described in such section 3001;
(ii) expired by virtue of reaching the maximum required period of continuation coverage before the date of the enactment of this Act; and

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