

Attention Atlantis Health Plan Brokers and Agents

Important Information on COBRA State Continuation of Coverage

This is an important notification regarding New York Continuation of Coverage ("State COBRA") subsidy that may be available to former employees of Atlantis Employer Groups with less than 20 employees.

In response to the recent passing of the Federal American Recovery & Reinvestment Act (ARRA), New York State enacted legislation ("the Act") that would mirror the terms of the ARRA for State Continuation of Coverage.

The Act provides a subsidy to help alleviate some of the burden of COBRA premium payments for most Assistance Eligible Individuals ("Eligible Individual"). The subsidy will cover 65% of the premium charged to the Eligible Individual, meaning that the Eligible Individual is only responsible for paying 35% of the original COBRA premium to the former employer. Atlantis Health Plan will collect the remaining 65% subsidy from the government through a refund in the form of payroll tax credit.

An Eligible Individual is a person who becomes qualified for COBRA between September 1, 2008 and December 31, 2009 due to involuntary termination of employment. The subsidy also applies to COBRA qualified spouses and dependents of Eligible Individuals. In order to qualify for the subsidy, the person must meet the definition the State has set for eligibility (see "COBRA Application").

The following is a step by step process (see courtesy copies of all notices and their attachments):

STATE COBRA NOTIFICATION PART 1

Atlantis will be sending the enclosed "COBRA Application" to all employees of a group whose coverage was terminated effective September 1, 2008 to April 30, 2009. We will instruct the recipient to return this form to the former employer for verification. It will be the employer's responsibility to determine if the applicant is a qualified Eligible Individual, as described in "COBRA Application". Upon receipt of the application, the former employer will submit the following to Atlantis:

- ✓ Completed "COBRA Application". Please note the employer must fill out all shaded sections titled "For Employer Use Only".
- ✓ "State Cobra Roster for Employers Form". Employers must list the qualified Eligible Individuals that are being submitted to Atlantis.

STATE COBRA NOTIFICATION PART 2

Atlantis will be sending the enclosed "COBRA Application" to all employees of a group whose coverage was terminated effective May 1, 2009 - December 31, 2009. We will instruct the recipient to return this form to the former employer for verification. It will be the employer's responsibility to determine if the applicant is a qualified Eligible Individual, as described in "COBRA Application". Upon receipt of the application, the former employer will submit the following to Atlantis:

- ✓ Completed "COBRA Application". Please note the employer must fill out all shaded sections titled "For Employer Use Only".
- ✓ "State Cobra Roster for Employers Form". Employers must list the qualified Eligible Individuals that are being submitted to Atlantis.

Atlantis Health Plan is working diligently to ensure that all pieces of the recent enactment are implemented. If you have any questions regarding our process, please contact your account representative.

