

**If you are a Wisconsin small employer with fewer than 20 employees, this notice applies to you.**

**If you are a Wisconsin employer to which federal COBRA applies, please disregard this notice.**

**IMPORTANT INFORMATION REGARDING RECENT CHANGES TO WISCONSIN CONTINUATION AND THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, FOR WISCONSIN SMALL EMPLOYERS NOT SUBJECT TO FEDERAL COBRA.**

Under the American Recovery and Reinvestment Act of 2009 ("ARRA"), workers who have lost their health coverage as a result of an "involuntary termination" and who are eligible for federal COBRA or Wisconsin state continuation coverage ("Wisconsin continuation"), may be eligible to receive a 65 percent federal subsidy toward their continuation coverage premiums.

On Friday, May 15, 2009, the Governor signed 2009 Wisconsin Act 11 ("the Act"). The Act took effect on May 19, 2009. In part, the new law gives former employees of Wisconsin small groups a second chance to elect Wisconsin's Continuation coverage and take advantage of the federal COBRA subsidy. Affected **employers** must provide notice of the second chance by May 29, 2009.

WPS will also be including the information provided below in your group policy. Effective with your group's renewal, on or after October 1, 2009, we'll send you a copy of the new endorsement for your master policy and new endorsements for your covered employees.

**Wisconsin State Continuation Coverage**

Under current law, an employee who is covered by a group health insurance policy through his or her employer and who is involuntarily terminated from his or her job may elect to continue coverage after termination. Wisconsin law provides for continuation coverage for those not covered under a similar federal law. Current law requires employers to send a notice within five days of the termination describing the terminated employee's right to continue coverage. Within 30 days of receiving the notice, the terminated employee may elect continuation coverage for himself or herself or for his or her spouse and dependents if they had also been covered through the employer's group health insurance.

**What's changed?**

The ARRA provides specific benefits for certain people who are eligible for continuation coverage under federal law or under state law. **Under the Act, for those terminated employees who became eligible for state continuation coverage on or after September 1, 2008 but before the May 19, 2009, the employer has 10 days to send an additional notice that contains the information required under the ARRA, and the terminated employee has 60 days to elect continuation coverage instead of 30 days.**

For those terminated employees who become eligible for state continuation coverage on or after the effective date of the Act but before January 1, 2010, **the employer must send the notice as required under current law, but the notice must contain the information as required under ARRA.** For a copy of this notice, please visit the Office of the Commissioner of Insurance ("OCI") website at:

[http://oci.wi.gov/bulletin/0509arra\\_att2.pdf](http://oci.wi.gov/bulletin/0509arra_att2.pdf)

**What do you need to do?**

**If you are not subject to Federal COBRA but are subject to Wisconsin continuation, WPS** previously sent notices to your former employees that were involuntarily terminated after February 17, 2009 and to those employees terminated after September 1, 2008 who were currently covered under

Wisconsin continuation (as identified by you). **Due to the recent enactment of the Act and the new requirements under state law, you, as the employer, must now provide the notice of the second chance election and premium reduction information to all involuntarily terminated insured's between the period of September 1, 2008 and May 19, 2009. As the employer you must also provide notice of the premium reduction to all terminated insured's after May 19, 2009 until January 1, 2010.**

If Wisconsin continuation and not federal COBRA applies to you, WPS will continue to obtain reimbursement for the subsidy. In order to do this, we will continue to need information from you. WPS has created a "Request for Information Form" for use in providing us information on employees eligible for the subsidy. For a copy of this form please visit our website at:

<http://www.wpsic.com/employers/index.shtml>

We require that you use this form rather than using other submission avenues, and this process is effective immediately and will continue monthly during the period that the subsidy is available by law, including any extensions that the government may enact. The information you provide is necessary for our reimbursement through payroll tax filing offsets and for WPS to notify insured's, on your behalf, of the availability of the subsidy.

**\*\*\*You must fax the completed forms to (608) 243-6138\*\*\***

If you have any further questions, please contact us at **(800) 748-0575** or visit our website at [www.wpsic.com](http://www.wpsic.com) .

