



NEW YORK STATE SENATOR

Neil D. Breslin

## Senate Passes COBRA Legislation Providing Affordable Access to Healthcare for Those Recently Unemployed as a Result of Economic Downturn

NEIL D. BRESLIN March 18, 2009

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(Albany, NY) – The New York State Senate today passed vital legislation that will protect the health and well-being of thousands of New Yorkers who have recently lost their jobs due to the national economic downturn.

The legislation provides a 65% discount on continuing health insurance coverage for recently unemployed New Yorkers, with funding provided entirely through federal stimulus funding.

Sponsored by Senate Insurance Committee Chairman Neil Breslin (D-Albany), the legislation (S.3068) was passed by a vote of 60 to 0 with 2 absences. It was unanimously passed in the Assembly this week where it was carried by Assemblyman Joe Morelle (D-Rochester).

Under the federal American Recovery and Reinvestment Tax Act of 2009 (ARRA), those facing job loss between September 1, 2008 and December 31, 2009 are eligible to maintain

coverage at 65 percent of continuation premiums.

About 420,000 New York households are currently struggling with unemployment, up by 175,000 from just last year. Continuing COBRA health coverage is available for these families, but it is often out of reach because of the cost. Senator Breslin's bill provides an immediate 65% discount – family coverage that might have cost an unaffordable \$1,000 per month will now cost just \$350 per month, putting healthcare within the reach of thousands more struggling families.

"This is a second chance at affordable healthcare coverage for unemployed New Yorkers who lost their jobs between September of last year and February 17<sup>th</sup> of this year, when the federal legislation was signed into law," said Senator Breslin. "Before February 17<sup>th</sup>, many people did not apply for COBRA benefits simply because they could not afford the rates at that time. This legislation makes coverage much more affordable to many of them."

The bill also expands availability to more businesses and workers. The protections of the Federal COBRA program apply only to those companies with more than 20 employees. With today's legislation, New York will extend the same reduced-rate available under the federal COBRA program to laid-off employees of smaller companies with employees of 19 or fewer.

This legislation expands those protections and eligibility to employees of smaller companies in New York State. Income limitations apply, with subsidies phasing out for those with annual incomes over \$125,000 for single earners or \$250,000 for married couples.

The subsidy is administered through a payroll tax credit and has no cost to the state or insurance companies because it accesses federal money granted to the State of New York through the stimulus package for healthcare needs.

Eligible participants must be notified by their group administrator within 60 days of when ARRA was enacted, and they must elect coverage within 60 days of receiving notice.

"The costs of healthcare for those without coverage, particularly those with serious illness, can be devastating to patients, the healthcare industry and taxpayers. Instead, eligible participants can access primary care early on in the illness, instead of emergency care when their health has already deteriorated, saving the state and the unemployed a great deal of money. I applaud Senator Breslin for his vision and commitment to affordable healthcare, particularly for those already dealing with the stresses of job loss," said State Senate Majority Leader Malcolm A. Smith.

"This is a concrete benefit for New Yorkers who need help getting back on their feet. I'm proud of the bi-partisan support this initiative has received and urge the Governor to sign the bill into law," concluded Senator Breslin.