

Secretary of State
Certificate and Order for Filing
TEMPORARY ADMINISTRATIVE RULES
A Statement of Need and Justification accompanies this form.

I certify that the attached copies* are true, full and correct copies of the TEMPORARY Rule(s) adopted on March 5, 2010 by the

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| Oregon Department of Consumer and Business Services, Insurance Division | 836 |
| Agency and Division | Administrative Rules Chapter Number |
| Sue Munson | 350 Winter Street NE, Salem, Oregon 97301-3883 |
| Rules Coordinator | Address |
| | 503-947-7272 |
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to become **effective upon filing through June 18, 2010.**

RULE CAPTION

Extending Continuation of Health Benefit Plans and Eligibility for Federal Subsidy through March 31, 2010

RULEMAKING ACTION

ADOPT:

AMEND: OAR 836-053-0855, 836-053-0860 and 836-053-0865

SUSPEND: OAR 836-053-0855(T), 836-053-0860(T) and 836-053-0865(T)

Stat. Auth.: ORS 731.244, 743.610

Other Auth.: chapter 73, Oregon Laws 2009 (Enrolled House Bill 2433)

Stats. Implemented: ORS 743.610, chapter 73, Oregon Laws 2009 (Enrolled House Bill 2433)

RULE SUMMARY

This rulemaking amends temporary rules adopted December 22, 2009 to reflect changes necessary to reflect changes to and an extension of the federal subsidy program until March 31, 2010. These amendments to the rules are necessary to correctly align the state continuation program with the federal provisions, which provide a subsidy for Oregonians who continue their health insurance coverage in the state continuation program.

Oregonians who lose their jobs have two options to continue coverage under their group health plan. If their former employer has twenty or more workers, they are eligible under the Consolidated Omnibus Budget Reconciliation Act (COBRA). If their former employer has fewer than twenty workers, they are eligible under Oregon's state continuation law. In February 2009, the federal economic stimulus package extended a 65 percent subsidy for up to nine months of coverage. Recognizing the need for changes to state law to allow Oregonians to obtain the full advantage of the federal subsidy, the 2009 Oregon Legislative Assembly enacted House Bill 2433, which extended the period of eligibility for state continuation coverage from six to nine months and allows the Director of the Department of Consumer and Business Services to adopt rules as necessary to allow Oregonians to take full advantage of the benefits provided by the federal law including additional extensions of the period of eligibility to match future extensions or changes in the federal subsidy or COBRA program. On December 19, 2009, President Obama signed HR 3326, the Fiscal Year 2010 Defense Appropriations Act, which extended eligibility for COBRA benefits to February 28, 2010 and the duration of the subsidy to 15 months. In response to that federal Act, the Division adopted temporary rules to match extensions of the federal benefits included in HR 3326. A new federal act, HR 4691 now extends the eligibility period for the American Recovery and Reinvestment Act premium subsidy for an additional 31 days (through March 31, 2010) and clarifies eligibility for the subsidy resulting from an involuntary termination of employment that follows a period of reduction in hours of work that caused an individual to lose health benefits under a group health benefit plan. These temporary rules make the same changes to the state continuation program allowing Oregonians enrolled in the state continuation plans to receive the maximum subsidy provided by the federal law.

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| _____ (Signed) Authorized Signer | _____ Teresa Miller, Insurance Administrator Printed Name | _____ March 10, 2010 Date |
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*With this original and Statement of Need, file one photocopy of certificate, one paper copy of rules listed in Rulemaking Actions, and electronic copy of rules.
ARC 940-2005