

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend and reenact § 38.2-3541.1 of the Code of Virginia, relating to continuation of group*
3 *health insurance coverage following termination of employment.*

4 [H 554]

5 Approved

6 **Be it enacted by the General Assembly of Virginia:**7 **1. That § 38.2-3541.1 of the Code of Virginia is amended and reenacted as follows:**

8 § 38.2-3541.1. Continuation following involuntary termination of employment; special circumstances.

9 A. For purposes of meeting the definition of "COBRA continuation coverage" in Title III of Division
10 B of the American Recovery and Reinvestment Act of 2009, P.L. 111-5 (the Act), employees who are
11 involuntarily terminated during the period beginning September 1, 2008, and ending December 31, 2009,
12 or during any period for which premium assistance is specified by the Act as later amended, shall be
13 offered the option to continue their existing group health insurance coverage subject to the following:

14 1. Coverage shall continue for a period of up to nine months, *or any additional period specified by*
15 *the Act as later amended*, following the date of (i) involuntary termination for those terminated on or
16 after the date of enactment of this section or (ii) following the date of the notification required pursuant
17 to subdivision 3, contingent upon the involuntarily terminated employee's eligibility for premium
18 assistance under the Act;

19 2. Premium payments (i) may be paid on a monthly basis to the group policyholder and (ii) shall not
20 exceed 102 percent of the insurer's current premium rate applicable to the group policy;

21 3. Employers shall provide notification of the availability of continuation under this section as
22 follows:

23 a. Notification shall be provided to those employees whose employment was terminated on or after
24 September 1, 2008, and prior to February 17, 2009, in accordance with Section 3001 of the Act;

25 b. Notification shall be provided to those employees whose employment was terminated on or after
26 February 17, 2009, and prior to the date of enactment of this section, no later than 60 days following
27 the date of enactment of this section or the employee's termination, whichever is later; and

28 c. Notification shall be provided to those employees whose employment was terminated after the date
29 of enactment of this section no later than 30 days following the date of the employee's termination;

30 4. The employee shall elect this continued coverage no later than 60 days following notification of
31 plan enrollment options; and

32 5. All other provisions, restrictions and limitations contained in the Act shall apply.

33 B. The provisions of this section shall only apply to employees of small employers whose group
34 health insurance coverage does not provide for continuation of coverage under the Consolidated
35 Omnibus Budget Reconciliation Act of 1985 (COBRA).

36 C. As used in this section, "group health insurance coverage" and "health insurance issuer" shall have
37 the same meaning as provided in § 38.2-3431.

38 **2. That an emergency exists and this act is in force from its passage.**

ENROLLED

HB554ER