

## Pennsylvania Health Plan Continuation Law for Small Employers

**This BeneFlash applies to employers with two to 19 employees.**

The Pennsylvania House of Representatives and the Senate have each passed a bill that will require insurance companies to provide continuation of group health insurance for former employees of businesses with two to 19 employees. Once the bills are reconciled, the final bill will be given to the Governor for signature. We expect this to happen soon after the Senate reconvenes on June 1<sup>st</sup>.

Pending any major changes, the coverage will extend benefits for up to nine months to employees and covered dependents who experience a qualifying event. To be eligible, an employee must have been continuously insured under the group health plan for three months prior to termination of coverage and not be eligible for coverage under Medicare or any other group health plan.

Employees who elect to continue coverage after an involuntary termination will be eligible for the new COBRA subsidies made available under the American Recovery and Reinvestment Act (ARRA). Insurers would be permitted to charge a premium rate of 105%.

Benecon will keep you informed of any further developments and how this law will affect your group health plan. We also plan to have training sessions and have administration services available soon after the law is passed.



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