

President Signs Into Law Temporary Extension of COBRA Premium Subsidy, Unemployment Insurance, and Medicare Physician Payment Update

President Obama signed into law on March 2, 2010 a bill to temporarily extend emergency unemployment benefits, the COBRA premium subsidy program, and a Medicare physician payment update, along with other programs, all of which had expired on February 28. The "Temporary Extension Act of 2010" (H.R. 4691), which was passed by the Senate on March 2 and the House on February 25, continues the emergency unemployment compensation program through April 5, 2010. It also extends the 65% COBRA premium subsidy included in the American Recovery and Reinvestment Act (ARRA) (P.L. 111-5) through March 31, 2010. In addition, the law expands eligibility for the COBRA premium subsidy to certain individuals who are involuntarily terminated after they experience a qualifying event of reduction in hours. Also included in the law is an extension of the Medicare physician payment update, which sustains current Medicare payment rates for physicians (preventing a 21% payment reduction) through March 31, 2010.

In a statement, the President indicated that he was "grateful to the members of the Senate on both sides of the aisle who worked to end this roadblock to relief for America's working families." The Senate is also considering a longer extension of the COBRA premium subsidy in a separate bill in the coming weeks, which would extend the program through December 31, 2010. Hewitt will continue to monitor these developments.