

Governor Quinn Signs Bill to Protect Small Business Workers' Health Insurance

Law Ensures Employees' COBRA Coverage Under Federal Recovery Act

SPRINGFIELD – May 15, 2010. Governor Pat Quinn today signed legislation into law that ensures unemployed small business workers in Illinois will receive continued COBRA health care insurance coverage and premium discounts provided under the federal American Recovery and Reinvestment Act.

“During these difficult economic times it’s very important to extend a helping hand to those in need,” said Governor Quinn. “This law protects workers laid off from small companies, and extends ongoing coverage and the premium discounts provided under the federal recovery act.”

The “Mini-COBRA” law, Senate Bill 3004, applies to workers of companies with 19 or fewer employees. The law amends the Illinois Insurance Code and the Health Maintenance Organization Act to extend the duration of the insurance premium subsidy from 12 to 15 months.

The law also extends the eligibility period for the insurance premium subsidy from December 31, 2009 to May 31, 2010, the end of the period set forth in the federal American Recovery and Reinvestment Act (ARRA). Under ARRA, employees who lose their health insurance coverage because they lose their job on or before May 31, 2010, can receive a 65 percent premium reduction, for up to 15 months.

The law also ensures that employees of small businesses will be eligible for the premium reduction for as long as the federal government makes it available under ARRA. Without Governor Quinn’s action, former employees of companies with 19 or fewer workers would not be guaranteed the full benefits and protections provided under ARRA.

“In the best of times, families in Illinois are often burdened by high health insurance premiums with explosive volatility,” says Michael McRaith, director of the Illinois Department of Insurance. “By virtue of this legislation that Governor Quinn is signing into law, individuals encountering the trauma of unemployment will have continuing access to subsidized, more affordable extended health insurance.”

The bill was sponsored by Sen. Susan Garrett (D-Highwood) and Rep. JoAnn Osmond (R-Antioch) and is effective immediately.

Passage of the bill was backed by the Illinois Department of Insurance and the American Federation of State County and Municipal Employees Council 31.