

[By Dan McLean, Burlington Free Press](#)

Federal subsidies that cover about two-thirds of the cost of COBRA health care for unemployed workers began to run out Tuesday, according to a report issued by Families USA.

A roughly \$25 billion slice of the \$787 billion stimulus plan approved in February was designated to help unemployed workers continue on the health insurance plans of their employers, through the COBRA program, by paying 65 percent of the cost for nine months. For many participants, that time is almost up, but Congress could act to extend the program.

For Vermonters who signed up when the program was first made available, hundreds of dollars in monthly subsidies ended Nov. 30, said Ron Pollack, executive director of Families USA's executive director, a Washington, D.C.-based advocacy group that lobbies for affordable health care.

When passed, the Congressional Budget Office estimated 7 million Americans, including dependent children, would be covered under the program, Pollack said. The number of Vermonters who signed up for the subsidized program has yet to be compiled, Pollack said in a conference call with reporters Tuesday.

While COBRA extends health coverage by allowing people to buy into their previous employers' group plan, it's far from cheap because individuals are paying all the full premium.

The average family COBRA policy in Vermont costs \$1,183 a month, slightly more than U.S. average of \$1,111, the study said.

The nine-month subsidy program pays \$769 each month to Vermont families — making the monthly payments \$414 a month for family coverage, according to the Families USA study.

Without the subsidy, jobless Vermonters would pay 91 percent of their unemployment benefits to receive COBRA coverage. The average monthly unemployment payment for Vermonters is \$1,299, the study said.

"The bottom line here is that for many people the COBRA subsidy is coming to an end. It has been lifeline that has allowed people to retain their health coverage," Pollack said. "And that lifeline is now being withdrawn.

To qualify for the subsidy, people must have been laid off between Sept. 1, 2008, and Dec. 31 and have family income less than \$290,000. Vermonters can still sign up for the subsidy before the end of December.

Pollack called for an extension, and expansion, of the subsidy as a patch to help make health care more affordable. Even if health care reform passes, he said, it will be several years before its implemented.

Rep. Peter Welch, D-Vt., expressed his support for continuing the program.

"Unemployed Vermonters are already struggling to make ends meet as our economy continues to struggle. Forcing them to choose between extending health care coverage and putting food on the table would be unconscionable," Welch said by e-mail. "Congress must take immediate action to extend this critical lifeline for Vermonters as we work to create jobs and revitalize the economy."

Legislation is circulating in the House and the Senate to increase the subsidy to 75 percent and to continue the program for six months, Pollack said. There is no official estimate of the extension's cost, but Pollack says it should be less than the initial \$25 billion.