



The Honorable Harry Reid
Senate Majority Leader
United States Senate
522 Hart Senate Office Bldg
Washington, DC 20510

Dear Senator Reid:

I am writing on behalf of the International Public Management Association for Human Resources (IPMA-HR) to urge you to extend the COBRA subsidy through December 31, 2010 without delay. As you are no doubt aware, state and local governments have been hit hard by the recession and the end is not in sight. A recent report by the National Conference of State Legislatures (NCSL) found that state budget gaps are likely to exist until fiscal year 2011 and beyond. NCSL *State Budget Update: November 2009*.

In fact one of our members from the State of California said that she is in the position of laying-off between 1,000 and 4,000 individuals in the coming months. Given that states and localities are still experiencing layoffs we urge you to extend the COBRA subsidy. The 65 percent subsidy is critical for those individuals facing layoffs and can be the difference between having health insurance and forgoing coverage.

An analysis done by Hewitt Associates of 200 large companies representing 8 million employees found that from March 2009 to November 2009, COBRA enrollment rates for subsidy-eligible employees averaged 39% as compared to 19% for the six months prior to the passage of the law establishing the subsidy. According to Karen Frost, Hewitt's health and welfare outsourcing leader, "The increase we've seen in COBRA enrollments since March highlights how important the subsidy benefit has been to families who have been affected by the high rate of unemployment." Additional information is available at www.hewitt.com.

IPMA-HR is an association that represents more than 10,000 human resource professionals working for local, state and federal governments. The association's members are the ones with primary responsibility for implementing benefit programs. If you have any questions or concerns please feel free to contact me at: (703) 549-7100 or nreichenberg@ipma-hr.org.

Sincerely,

Neil E. Reichenberg, CAE, Executive Director