

New COBRA rules could increase employer healthcare costs.

[USA Today](#) (2/20, Block, Appleby) reports, "A new subsidy that goes into effect March 1 could make health insurance more affordable for millions of laid-off workers. But, some businesses fear it could also raise employer healthcare costs." Notably, the "stimulus package signed into law this week by President Obama subsidizes 65 percent of...COBRA health insurance premiums for individuals laid off between Sept. 1 and the end of this year." New COBRA rules state that "laid-off workers can continue their former employer's health coverage for up to 18 months. In the past, though, they were required to pay the entire premium, plus a 2 percent administrative fee, making COBRA unaffordable for most jobless workers," since "average COBRA premiums exceed \$400 a month for individuals, and more than \$1,000 a month for families." USA Today points out that "employers, and the companies they hire to manage their COBRA programs, are scrambling to meet the March 1 deadline to notify employees."