

Department of Energy  
Acquisition Regulation

No. AL 2009-10 Revised  
Date 07/08/09



# ACQUISITION LETTER

This Acquisition Letter is issued under the authority of the DOE and NNSA Procurement Executives.

**Subject:** Health Care Plan Subsidy for Involuntarily Separated Employees

**References:**

Report to the Secretary, Displaced Workers Health Benefits and Monitoring, August 1992  
Federal Acquisition Regulation 31.205-6, Compensation for Personal Services  
DEAR 970.3102-05-06, Compensation for Personal Services  
Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985  
Technical Corrections to the Consolidated Omnibus Budget Reconciliation Act  
National Defense Authorization Act of 1993, Section 3161  
Department of Treasury, Internal Revenue Service Non-Cost Regulation of June 1987  
American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, Title III, Section 6432

**When is this Acquisition Letter (AL) Effective?**

This AL is effective upon issuance.

**When Does this AL Expire?**

This AL remains in effect until superseded or canceled.

**Whom do you Contact for More Information?**

Contact Ellen I. Leyba at [ellen.leyba@hq.doe.gov](mailto:ellen.leyba@hq.doe.gov) or (202) 287-1633 in the office of Contract and Resource Management for questions pertaining to medical health plan subsidy. NNSA inquiries should be address to Frank Sanchez at [fpsanchez@doeal.gov](mailto:fpsanchez@doeal.gov) or (505) 845-4788 in the Service Center, Office of Business Services, Contractor Human Resources Division.

**What is the Purpose of this AL?**

The purpose of this AL is to ensure that Contracting Officers provide contractors, who offer benefits under the Department of Energy's (DOE) Displaced Workers Medical Benefit Program (DWMBP), with (1) information regarding a health care premium subsidy available to eligible involuntarily separated contractor employees under the American Recovery and Reinvestment Act of 2009 (Recovery Act) amendments to the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) and (2) clarify that employers may not provide either dual coverage under

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**What is the Guidance Contained in this AL?**

Eligible employees interested in the federal COBRA subsidies under the Recovery Act should be notified that they will not be allowed to receive medical benefits under both the DWMBP and the COBRA program. They will have to choose between the two programs in order to receive continued medical benefit coverage.

However, because the DWMBP does not include coverage for dental and vision plans, the COBRA subsidy should be offered to employees seeking to continue participation in their existing dental and vision plans, providing there is no duplication of coverage.

Employees electing DWMBP are not eligible to receive the COBRA subsidy for the portion of the DWMBP premium that they are required to pay.

Contractors are encouraged to contact their counsel for advice on the Recovery Act subsidy provisions.

**What Should Contracting Officers do to Implement this Acquisition Letter?**

Contracting Officers should furnish a notice such as that attached to their contractors who sponsor displaced workers medical benefits under the DWMBP.

Attachment

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