

COVID-19 RELIEF FOR COBRA QUALIFIED BENEFICIARIES

The federal government has recognized that employers, employees, former employees, and dependents may have difficulty meeting standard timeframes with respect to COBRA during the COVID-19 National Emergency. **PLEASE READ THIS NOTICE CAREFULLY AS IT IMPACTS AND CHANGES YOUR COBRA RIGHTS AS INDICATED IN OTHER ENCLOSED MATERIALS.**

On April 29, 2020, the Departments of Labor and Treasury jointly issued immediate relief by temporarily extending the following statutory deadlines for COBRA qualified beneficiaries maintaining employer-sponsored group health plan coverage:

- Period to elect COBRA continuation coverage
- Grace Period to make COBRA payments
- Period to notify the plan of qualifying events or a determination of disability

For the above listed periods, your employer-sponsored group health plan will temporarily disregard the statutory deadlines during the “Outbreak Period.” The Outbreak Period began on March 1st and will end 60 days after the National Emergency end date (or a later date announced in subsequent guidance). The National Emergency end date has not yet been announced. Also, the federal agencies may issue additional guidance if the National Emergency end date is different for parts of the country. A full copy of the relief notice is available at <https://www.dol.gov/sites/dolgov/files/ebsa/temporary-postings/covid-19-final-rule.pdf>.

The other enclosed materials may not account for this temporary relief, and PrimePay is informing you of the available temporary extensions in this insert.

- **Election Period:** The statutory 60-day COBRA election period is disregarded during the Outbreak Period. Your COBRA Election Period ends 60 days after the end of the Outbreak Period.
- **Initial Payment Grace Period:** The statutory 45-day Initial Payment Grace Period is disregarded during the Outbreak Period. Your Initial Premium Payment is due 45 days after the end of the Outbreak Period.
- **Subsequent Payment Grace Period:** The statutory 30-day Initial Payment Grace Period is disregarded during the Outbreak Period. Your subsequent premium payment is due 30 days after the end of the Outbreak Period.
- **Other Periods:** The statutory 60-day limit to report qualifying events or a disability determination are also disregarded during the Outbreak Period. Your notification to the plan is due 60 days after the end of the Outbreak Period.

Aside from the above stated extensions, your COBRA continuation rights remain the same. The temporary COVID-19 relief does not extend the number of months you may be eligible for COBRA continuation coverage nor does it lower or eliminate your required premium for COBRA continuation coverage. Additionally, claims for benefits and services provided under your employer-sponsored group health plan (e.g. doctor’s visits, prescriptions, etc.) may be pended until you pay the full COBRA premium for the coverage period.

We have included examples on the following page, and you may read the full notice at <https://www.dol.gov/sites/dolgov/files/ebsa/temporary-postings/covid-19-final-rule.pdf>

Finally, our COBRA Member Portal will not recognize these temporary extensions. Please contact our Participant Success Team if you would like to enroll or make payments via the Member Portal during the extended period, and a CSR will be happy to assist you. You may contact the Participant Success Team at cobrahelp@primepay.com or (855) 892 – 6272.

IMPORTANT: The following examples use April 30, 2020 as the National Emergency end date; however, this date was used simply to make the example clear and understandable. Please be sure to check the emergency status of your state or region.

The rules extend the 60-day COBRA election period by disregarding the Outbreak Period.

Example:

- Employee's hours are reduced causing the employee to lose active coverage under the health plan, which is a COBRA qualifying event.
- Employee receives the COBRA election notice on April 1, 2020.

Result:

- The standard 60-day COBRA election period is extended by disregarding the Outbreak Period.
- Assume the National Emergency ends April 30, 2020, and therefore the Outbreak Period ends June 29, 2020.
- The employee would have until 60 days after the end of the Outbreak Period (until August 28, 2020) to elect COBRA.

The rules extend the 45-day initial premium payment and 30-day grace period for subsequent premium payment timeframes by disregarding the Outbreak Period.

Example:

- Employee is a COBRA qualified beneficiary who fails to make timely COBRA premium payments by the end of the 30-day grace period for March, April, May, and June.

Result:

- The standard 30-day COBRA premium payment grace period is extended by disregarding the Outbreak Period.
- Assume the National Emergency ends April 30, 2020, and therefore the Outbreak Period ends June 29, 2020.
- The employee would have until 30 days after the end of the Outbreak Period (until July 29, 2020) to make the COBRA premium payment for the months of March, April, May, and June.
- The employee is eligible to receive coverage under the plan during this interim period, even though some or all premium payments may not be received until July 29, 2020.
- If the employee makes a premium payment for only two months of coverage by July 29, 2020, those premiums would apply to the first two months that remained unpaid (March and April), and there would be no COBRA coverage for any month after April 2020.

The rules extend the 60-day employee COBRA notification timeframes by disregarding the Outbreak Period.

Example:

- Employee and spouse are covered under the employer-sponsored group health plan.
- Employee and spouse finalize their divorce effective April 1, 2020, causing the spouse to lose eligibility for coverage.

Result:

- The 60-day period for the employee/spouse to notify the plan of the divorce to preserve the former spouse's COBRA rights is extended by disregarding the Outbreak Period.
- Assume the National Emergency ends April 30, 2020, and therefore the Outbreak Period ends June 29, 2020.
- The employee/spouse would have until 60 days after the end of the Outbreak Period (until August 28, 2020) to notify the plan of the divorce qualifying event and preserve COBRA rights for the former spouse.