

UPMC HEALTH PLAN

Premium Assistance for COBRA Benefits Under the American Rescue Plan Act

Frequently asked questions:

Is there a standard template letter that can be sent?

The Department of Labor has provided a Model ARP General Notice and COBRA Continuation Coverage Election Notice for use by group health plans for qualified beneficiaries who have qualifying events occurring from April 1, 2021 through September 30, 2021.

<https://www.dol.gov/sites/dolgov/files/ebsa/laws-and-regulations/laws/cobra/premium-subsidy/model-general-and-election-notice.pdf>

Will UPMC automatically terminate COBRA members when the subsidized premium period ends on 9/30/2021?

UPMC Health Plan will not automatically terminate members receiving subsidized premiums once the subsidized premium period ends if the member is still eligible to receive COBRA benefits. For groups that utilize UPMC Health Plan as their COBRA administrator, UPMC Health Plan will provide a notice to AEIs before the premium assistance period ends, informing them that they can receive coverage without any premium assistance through COBRA continuation coverage, so long as their coverage eligibility period has not ended. Members will be required to pay their applicable premium in full. In Pennsylvania, the end of COBRA premium assistance is considered a qualifying event that allows a member to enroll in a Marketplace plan.

Is COBRA premium assistance available for COBRA continuation coverage under a vision-only or dental-only plan?

For Federal COBRA, premium assistance is available for COBRA continuation coverage for vision-only and dental-only plans. For Mini-COBRA, premium assistance is not available for vision-only and dental-only plans.

How will billing be handled, and will the invoice still be sent to the group?

For Federal COBRA, in cases where UPMC Health Plan is the COBRA administrator, UPMC Health Plan will send an invoice to the employer for the premium that is due for

AEI members.

For State Mini-COBRA, no invoice will be sent to the employer for members who have been identified by the employer as Assistance Eligible Individuals, as the insurer is the responsible party for premium payments.

Who is responsible for paying the premium on Mini-COBRA?

Under the ARP, Assistance Eligible Individuals do not have to pay any of the COBRA premium for the period of coverage from April 1, 2021 through September 30, 2021, including premiums for coverage elected under Pennsylvania's Mini-COBRA provisions. Whether coverage is through COBRA or Mini-COBRA, the premium is reimbursed directly to the employer, plan administrator, or insurance company through a refundable tax credit. For Mini-COBRA, in most instances it will be the insurer who will be eligible to claim the refundable tax credit. Under Federal COBRA, it will generally be the employer or plan administrator claiming the credit.

What happens if a member who is an AEI has already submitted payment for April or May's premium?

Per the requirements of the ARP, UPMC Health Plan will provide a refund to these members when UPMC Health Plan is the group's COBRA administrator.

How will UPMC know which members are AEI?

In cases where UPMC Health Plan is acting as the COBRA administrator, UPMC Health Plan has worked closely with employer groups to verify member eligibility for premium assistance. We have given employer groups the opportunity to provide an attestation that an individual is eligible for COBRA continuation coverage with COBRA premium assistance due to a reduction in hours or involuntary termination of employment. Employers have also been given the opportunity to allow individuals to elect coverage different from the coverage under the plan in which the individual was enrolled before the reduction in hours or involuntary termination of employment. Employers have been given the opportunity to review and confirm all applicable materials. Once this step has been completed, UPMC Health Plan sends out the applicable notice to qualified beneficiaries and performs required verification for those individuals.

In cases where UPMC Health Plan is not the COBRA administrator, we are reliant on the employer to notify us who is an AEI. UPMC Health Plan has created the attached Assistance Eligible Individual Verification Form for employers to complete in order to notify UPMC Health Plan of those individuals who are eligible for premium assistance.