



American Rescue Plan Act (ARPA)
COBRA & State Continuation

Carrier FAQ

Small & Large Group Colorado

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DOL Issues Model Notices, FAQs for COBRA Subsidy in the ARPA

On April 7, 2021, the U.S. Department of Labor (DOL) issued [FAQs](#) and [model notices](#) for the COBRA premium assistance provisions of the [American Rescue Plan Act](#) (ARPA). The ARPA provides a 100% subsidy for employer-sponsored group health insurance continued under COBRA and similar state continuation of coverage programs for eligible individuals. The subsidy applies from April 1 through Sept. 30, 2021. The notices and the FAQs appear on a new DOL [webpage](#) dedicated to the ARPA COBRA subsidy.

The Model Notices below from the DOL provide additional information and requirements:

- [General Notice and Election Notice](#) for group health plans with beneficiaries who have qualifying events from April 1 - September 30, 2021. [MS Word](#) | [PDF](#)
- [Notice in Connection with Extended Election Period](#) for use by group health plans with qualified beneficiaries currently enrolled in COBRA continuation coverage, due to a reduction in hours or involuntary termination (Assistance Eligible Individuals) as well as those who would currently be Assistance Eligible Individuals if they had elected and/or maintained COBRA continuation coverage. [MS Word](#) | [PDF](#)
- [Alternative Notice](#) for insured coverage subject to state continuation requirements from April 1 - September 30, 2021. [MS Word](#) | [PDF](#)
- [Notice of Expiration of Premium Assistance](#) for group health plans to Assistance Eligible Individuals 15 - 45 days before their premium assistance expires
- [Summary of COBRA Premium Assistance Provisions](#) lists the eligibility requirements and includes the Request for Treatment as an Assistance Eligible Individual form. [MS Word](#) | [PDF](#)

Important Dates:

- **March 11, 2021:** ARPA signed into law
- **April 1, 2021:** ARPA subsidy for COBRA premium begin
- **September 30, 2021:** ARPA subsidy for COBRA premium expires

Source: Department of Labor
Zywave (GoCompass)

COBRA Subsidy under ARPA (20+ eligible)

Employer groups subject to federal COBRA must notify qualified beneficiaries about premium assistance and other information about their rights under the ARPA, as follows:

- A **General Notice** (or **Alternative Notice**) to all qualified beneficiaries who have experienced a qualifying event from April 1, 2021, through Sept. 30, 2021.
- A **Notice in Connection with the Extended Election Period**, to certain individuals who became entitled to elect COBRA continuation coverage before April 1, 2021.
- A **Notice of Subsidy Expiration**.

A **Summary of the ARPA's COBRA Premium Assistance Provisions** must be attached to the General Notice, and the Notice in Connection with the Extended Election Period.

Who must the Notice in Connection with the Extended Election Period be provided to?

The ARPA requires group health plans to provide a Notice in Connection with the Extended Election Period to any "assistance-eligible individual" (or any individual who would be an assistance-eligible individual if a COBRA continuation coverage election were in effect) who became entitled to elect COBRA continuation coverage **before April 1, 2021**.

Assistance-eligible individuals under the ARPA are those who:

- Are a qualified beneficiary of the group health plan;
- Are eligible for COBRA because of the covered employee's **involuntary** termination (unrelated to gross misconduct) or reduction in hours of employment; and
- Elect continuation coverage.

The Notice in Connection with the Extended Election Period **does not** need to be provided to individuals whose maximum coverage period would have ended before April 1, 2021 (e.g., those with qualifying events before Oct. 1, 2019).

Source: Zywave (GoCompass)

COBRA Subsidy under ARPA (20+ eligible)

What information must the notices include?

With the exception of the Notice of Subsidy Expiration, the notices must include the following information:

1. The forms necessary for establishing eligibility for premium assistance
2. The name, address and telephone number necessary to contact the plan administrator and any other person maintaining relevant information in connection with premium assistance
3. A description of the extended election period under the ARPA (if applicable to the individual)
4. A description of the obligation of qualified beneficiaries to notify the plan if they become eligible for another group health plan or Medicare, and the penalty for failure to do so
5. A prominently displayed description of the right to a subsidized premium and any conditions on entitlement to the subsidized premium
6. A description of the option of the right to enroll in different coverage (if the employer permits this option)

The Notice of Subsidy Expiration must explain:

- That the premium assistance will expire soon;
- The date of the expiration; and
- That the individual may be eligible for coverage without any premium assistance through COBRA continuation coverage or a group health plan.

What timing requirements apply?

Potential assistance-eligible individuals must elect COBRA **within 60 days** of receipt of the relevant notice. The COVID-19-related deadline relief **does not apply** to the notices or elections related to the ARPA's COBRA subsidies.

- The General Notice or Alternative Notice must be given to qualified beneficiaries that have qualifying events at any time from **April 1, 2021, through Sept. 30, 2021**. These may be provided separately or with the COBRA election notice following a qualifying event.
- The Notice in Connection with the Extended Election Period must be provided by **May 31, 2021**.
- The Notice of Subsidy Expiration must be provided **45 to 15 days** before the individual's subsidy expires.

Source: Zywave (GoCompass)

State Continuation Subsidy under ARPA (1-19 eligible)

Below you will find a high level summary of how each Colorado carrier will handle State Continuation notifications and or processing. Many of the carriers are diligently working to internally define their approach to handling State Continuation subsidy and awaiting further guidance for their legal compliance team and or from the IRS.

Who is responsible for the subsidy payment?

Carrier		State Continuation
Aetna Funding Advantage		AFA Not Eligible. ACA: Aetna is responsible for the subsidy. Standard State Continuation guidelines must be followed.
Ameritas		The Policyholder is responsible to make the subsidy payment for the employees who were involuntarily terminated.
Anthem Blue Cross	FAQ	If state continuation law applies, the insurer will likely be responsible. But depending on state law, the state may require the employer to pay the premium instead.
Beta/UnitedConcordia		Pending
Bright Health		Pending
Cigna Level Funding		The American Rescue Plan Act (H.R. 1319, the "Act") provides guidance indicating that a subsidy will be provided by the federal government to employers via payroll tax credits. The employer will pay the full premium due (for fully insured plans) or cover COBRA participants at no cost (for self-insured plans), and then recover the premiums through a payroll tax credit.
Delta Dental		For State Continuation, the carrier (Delta Dental of Colorado) is responsible.
Friday Health Plans		The Employer/Administrator is responsible for the subsidy premium payment for COBRA eligible groups. Friday Health Plans is responsible for the subsidy premium payment for Colorado Continuation eligible employees who also meet the AEI definition once notified by the Employer/Administrator that the AEI is eligible.
Guardian		The employer is responsible for the funding. The employer pays the premium to Guardian and the employer pursues tax credit for reimbursement.
Humana		Humana is only responsible for providing a premium credit for State Continuation members for any months their continuation eligibility period had active coverage between 04/01/2021-09/30/2021. State Continuation full premium credits for Non Direct Billed will be reimbursed on the groups invoice. The group will be responsible for refunding eligible members.
Kaiser	FAQ	Kaiser is responsible.
Lincoln Financial Group		Pending
MetLife		Customers are responsible for review of the ARPA guidelines and determination of their eligibility. Should they deem themselves eligible they are responsible for notifying MetLife each month regarding the impacted members for subsidy adjustments to their billing.
Mutual of Omaha		Employer
Principal Financial Group		Employer
The Reliance Standard		Pending
The Standard		Since The Standard does not administer COBRA, the policyholder should consult with their employment counsel with any questions pertaining to ARPA and COBRA continuation coverage for eligible employees.
Sun Life		Employer pays Sun Life, and the employer is reimbursed by the government through tax credits.
UnitedHealthcare		If the group has less than 20 employees the insurer pays the premium
UNUM		Client/Policy Holder
VSP (Inshore)		For State COBRA (not CA), it is the Employer's responsibility.

Who is responsible for sending the subsidy notification?

Carrier		State Continuation
Aetna Funding Advantage		AFA Not Eligible. ACA: Depending on state, Aetna will send out the model notices. Will provide a grid separately on carrier vs employer directed states.
Ameritas		If we administer the COBRA, then we send the notification.
Anthem Blue Cross	FAQ	If state continuation law applies, then the employer is to furnish the new ARP subsidy notices.
Beta/UnitedConcordia		Pending
Bright Health		Pending
Cigna Level Funding		The Employer is responsible for sending the notice.
Delta Dental		Employer is responsible, under both COBRA and State Continuation.
Friday Health Plans		The Employer is responsible for notices being sent to eligible AEI's for COBRA. Friday Health Plans will send the subsidy model notice to the Employer/Administrator of the group for distribution to eligible AEI's for Colorado Continuation.
Guardian		The employer is responsible for identifying Assistance Eligible Individuals.
Humana		Humana is only responsible for notifying Employers and Members when they are eligible for the subsidy. State Continuation only.
Kaiser	FAQ	The employer is responsible for sending required ARP notices to their employees
Lincoln Financial Group		Pending
MetLife		Customers are responsible for review of the ARPA guidelines and determination of their eligibility. Should they deem themselves eligible, they are responsible for notifying MetLife each month regarding the impacted members for subsidy adjustments to their billing.
Mutual of Omaha		The Employer is responsible for sending the notice.
Principal Financial Group		The Employer is responsible for sending the notice.
The Reliance Standard		Pending
The Standard		Since The Standard does not administer COBRA, the policyholder should consult with their employment counsel with any questions pertaining to ARPA and COBRA continuation coverage for eligible employees.
Sun Life		The Employer is responsible for sending the notice.
UnitedHealthcare		The group is responsible for sending the notification. However, if the group is using our free Cobra/State Continuation services the Cobra unit will send out the notices, but the group has to tell the Cobra unit who qualifies.
UNUM		Cobra Vendor
VSP (Inshore)		For State COBRA (not CA), it is the Employer's responsibility.

Who is required to identify and track the AEIs start/end date for the subsidy?

Carrier		State Continuation
Aetna		The employer is also responsible for tracking AEIs here for the start to end date of the subsidy.
Ameritas		The Policyholder will notify us of the termination date and we'll track the termination of benefits.
Anthem Blue Cross	FAQ	Anthem
Beta/UnitedConcordia		Pending
Bright Health		Pending
Cigna Level Funding		Assuming AEIs is Assistance Eligible Individuals, it is the employers responsibility to identify and track AEIs start/end date for the subsidy.
Delta Dental		Employer is required to track and inform Delta Dental of Colorado of any AEIs for both COBRA and State Continuation
Friday Health Plans		Once the Employer/Administrator notifies Friday Health Plans of AEI eligibility for subsidized premium, Friday health plans will track the AEI's start/end date for the subsidy based on information supplied by the employer/administrator.
Guardian		The employer
Humana		Pending
Kaiser	FAQ	The employer is responsible for Informing Kaiser Permanente of AEIs by filling out the supplemental reporting template on account.kp.org
Lincoln Financial Group		Pending
MetLife		The Customer
Mutual of Omaha		Employer
Principal Financial Group		Employer
The Reliance Standard		Pending
The Standard		Since The Standard does not administer COBRA, the policyholder should consult with their employment counsel with any questions pertaining to ARPA and COBRA continuation coverage for eligible employees.
Sun Life		Employer and employee should agree on the start date. Sun Life will provide COBRA coverage for as long as they are eligible, but the premium assistance program is only offered through 9/1/2021 (as of right now).
UnitedHealthcare		The group is responsible unless they are using our free services.
UNUM		Cobra Vendor
VSP (Inshore)		For State COBRA (not CA), it is the Employer's responsibility.