

Updates and next steps for COBRA

HealthEquity has continued to stay up-to-date on the recent guidance announced by the Department of Labor (DOL) and IRS and is here to help with these adjustments. After reviewing the guidance, we've identified how we will partner with you to support these changes and have outlined next steps related to COBRA plans.

Actions you should take:

- Contact HealthEquity if you want to have any Members reinstated whose election or payment windows are paused during the federally defined Outbreak Period.
- Check with your health insurance carrier if you have questions about how they will manage COBRA continuation coverage. HealthEquity will be providing data to your carrier to help them manage coverage.
- Help answer your employees' questions by referring to our microsite or the insert included in their COBRA notices.
- The regulatory landscape changes frequently, so visit our microsite and continue to check back for updates.

Actions HealthEquity is taking:

- Current eligibility files will continue being sent. HealthEquity is creating a new report that will be offered to current eligibility file recipients. This report will include participants who have elected coverage but not yet paid.
- Members will be notified of COBRA relief through an insert included with their COBRA Election Notice, Insufficient Payment Notice or Premium Invoice. HealthEquity is also directing individuals to our microsite to view ongoing updates. Information and alerts will also be posted on the member portal in critical decision areas
- Members electing COBRA continuation coverage will be reinstated in the plan at the request of you or the individual. A notice notifying Members of their rights to reinstatement will be sent at your expense, if you request it.
- HealthEquity will update our systems to keep participants from being cancelled due to non-payment or failure to elect. This will allow them to continue to make elections and payments.

Frequently Asked Questions (FAQs)

HealthEquity has received a number of questions related to the recent DOL and IRS Guidelines and how we will be supporting our Clients. Below we have provided some of the most common questions and answers we have received thus far:

What is the Department of Labor (DOL) relief that was published on April 28?

For all plans subject to Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code, the relief allows additional time in which a group health plan sponsor or plan administrator should provide certain notices, disclosures, or other documents affecting COBRA continuation coverage, special enrollment periods, benefit claims, appeals of denied claims, and external review of certain claims. The deadline extension is through the “Outbreak Period”.

What is the Outbreak Period?

The “Outbreak Period” is defined as the period beginning March 1, 2020 and ending 60 days after the date on which the federal government declares the COVID-19 national emergency has ended (which has yet to be determined and which may vary by state or geographic region) or another date announced by the DOL and Treasury in a future notice.

How will HealthEquity handle eligibility reporting during the Outbreak Period?

HealthEquity will continue to report eligibility using the same methods and in the same manner as always. However, we will make a new supplemental report available upon request that contains individuals who have elected but not paid for coverage.

How will HealthEquity treat member cancellations during the Outbreak Period?

HealthEquity will make changes to our COBRA platforms that disable the automatic cancellations for “Failure to Pay” and “Failure to Elect” reasons during the Outbreak Period.

Additionally, any days within the Outbreak Period will be disregarded when calculating:

- The 60-day election period for COBRA continuation
- The 60-day notification periods for dependent qualifying events or requests for Social Security disability determinations – for example, if an individual was within the 60-day period of either of those events, the countdown is paused during the Outbreak Period and resumes where it left off after the period ends

What is the impact to members with deadlines prior to the Outbreak Period?

Any deadlines ending before March 1, 2020 are not affected by this guidance.

For example, the following deadline expirations would remain in place:

- Cancellations for non-payment of a premium that was due January 31, 2020;
- COBRA elections that had to be made on or before February 29, 2020 and were not made on time.

Are any COBRA members with deadlines during the Outbreak Period excluded from this relief?

The guidance does not specify that qualified beneficiaries not impacted by COVID-19 (e.g., divorce or legal separation, loss of dependent child status) should be excluded from these deadline extensions.

How will HealthEquity notify members of the relief provided by the DOL?

HealthEquity will notify individuals of the relief through an insert with the COBRA Qualified Election Notification (QEN), Insufficient Payment Notice or Premium Notice. We've also created a microsite with information on the DOL ruling and any additional updates that may occur.

For an additional fee, HealthEquity can offer custom notifications of reinstatement rights upon request.

How will HealthEquity reinstate members if they have already been cancelled during the Outbreak Period?

HealthEquity has made the decision not to actively reinstate the Members, but will do so upon the request of the Member/Client/Partner.

HAVE QUESTIONS? Reach out to your HealthEquity contact by phone or email.