
Important Information Regarding Possible Premium Subsidy Due to COVID-19

The American Rescue Plan Act (ARPA) was signed into law on 3/11/2021 and speaks to a subsidy that may be provided for your COBRA premium. If you qualify for this subsidy due to involuntary termination or reduction of hours, Benefit Strategies will send you a subsidy eligibility notice no later than 5/31/2021. That notice will provide you details on how the subsidy applies to you.

IMPORTANT: To avoid any disruption in your coverage, please continue to make your monthly COBRA premiums as normal until you are notified that the subsidy has been added to your account.

Below you will find frequently asked questions on potential scenarios you may encounter should you qualify for the subsidy. **Note: This is a high-level summary only and does not go into every relevant detail of the new law. It is for informational purposes only and does not constitute legal advice.**

Frequently Asked Questions

Q: Who is eligible for the subsidy?

A: The subsidy covers employees and their dependents who experienced an involuntary termination or a reduction in hours and who are not eligible for other group health coverage, a Health FSA, a Qualified Small Employer Health Reimbursement Arrangement (QSEHRA), or Medicare. Additionally, your maximum COBRA period has to have at least one day fall between 4/1/2021 and 9/30/2021.

The only premium type that will not be covered is the premium for your Flexible Spending Account.

Please note: there are many stipulations regarding eligibility, the above information is intended to give a generic overview. If you have a non-standard situation regarding your coverage, your scenario may vary from the above guidance.

Q: What timeframe does the subsidy cover?

A: The subsidy covers eligible premiums with due dates between 4/1/2021 and 9/30/2021.

IMPORTANT: Until you have been notified that your account has been updated, please continue to pay for coverage as normal to avoid coverage disruption.

Q: I qualify for the subsidy; do I need to take any action?

A: Benefit Strategies will notify you by 5/31/2021 of your eligibility. Any action you need to take will be outlined in that notice.

IMPORTANT: Until that notice is issued, and your account updated, please continue to pay for coverage as normal to avoid coverage disruption.

Q: I have recurring ACH set up, do I need to cancel it?

A: No, it is recommended you do not make any adjustments to your recurring ACH setup. If you are eligible, your account will automatically be updated, and any owed funds refunded. Leaving your recurring ACH set up also ensures no failure to pay for once the subsidy period is over.

Q: What happens if I have already paid for months that are now covered by the subsidy?

A: As soon as Benefit Strategies COBRA platform is updated to accommodate the new subsidy offering, your account will automatically be adjusted. Any months you have paid for that are now covered by the subsidy will be refunded to you.

Q: I previously terminated but want to re-enroll now that there is a subsidy. Can I do that? Does it have to be retroactive to my termination date?

A: If your COBRA coverage would have continued past 4/1/2021 had you not terminated; you are able to re-enroll. If you do not wish to retroactively reinstate your coverage, you do not have to. You can choose to re-enroll as of 4/1/2021 in order to utilize the subsidy. This will mean that you will have a break in your coverage. For example, if you terminated 11/1/2020 and re-enroll 4/1/2021, you will have no insurance coverage for the months of November through March.

Re-enrolling does not alter your Last Day of COBRA. Your original date will remain the same.