COBRA

Is UnitedHealthcare able to offer help to employees who are losing their health insurance coverage after being laid off? Update 3/8/2021

In general, under COBRA, an individual who was covered under a group health plan on the day before a qualifying event, such as being laid off or a reduction in hours leading to a loss of coverage, may be able to elect continue coverage. UnitedHealthcare administers COBRA on behalf of customers with group health plans, which includes providing covered employees and their families with certain notices explaining their COBRA rights. UnitedHealthcare also offers individuals a range of individual health insurance plans. Interested individuals may contact (800) 827-9990 to speak with an advisor who can assist.

They can also visit https://www.healthmarkets.com to apply directly.

If a person does not qualify for COBRA, what are their alternatives? New 6/6

UnitedHealthcare offers individuals a range of individual health insurance plans. Interested individuals may contact (800) 827-9990 to speak with an advisor who can assist. Or, they can also visit https://www.healthmarkets.com to apply directly.

Individuals may be able to get health care coverage through the Health Insurance Marketplace. It may also cost less than COBRA continuation coverage. There are special enrollment periods available if their job situation has resulted in lost your coverage.

An individual may compare costs to see if a short-term insurance plan would work for their needs. Standard short term health insurance plans may help fill a gap in coverage from 1 month to just under a year.

Through the Health Insurance Marketplace you can also check if you may qualify for free or low-cost health care coverage from Medicaid or the Children's Health Insurance Program (CHIP)

How does COBRA coverage work? New 4/4

COBRA is a short-term insurance that’s usually available for up to 18 months after a person’s job situation has changed. (In some situations, COBRA coverage may extend beyond 18 months).

Generally, a person can get COBRA coverage if they worked for a business that employs 20 people or more. There are exceptions to this, so the person should confirm with the employer.

With COBRA, persons can continue the same coverage they had when they were employed. That includes medical, dental and vision plans. They cannot choose new coverage or change plans to a
When a job situation has changed, can the impacted member get health insurance through COBRA? Update 3/8/2021

A person may qualify for COBRA coverage if their job situation has changed in one of these ways:

- They lost their job, either voluntarily or by the decision of the company (for any reason except gross misconduct) and they lost health coverage
- They had the number of hours per week they worked reduced, so they no longer were eligible for benefits and lost their health coverage
- Individuals who have the right to elect to continue coverage are known as Qualified Beneficiaries (QBs)

Currently, a QB (must be given at least 60 days to elect to continue coverage after job loss or a reduction in hours of employment that leads to a loss in coverage. The QB must pay their first COBRA premium with 45 days of making the election. After that, monthly payments must be made within 30 days of the start of the coverage month.

Under Disaster Relief Notice 2021 01 issued in response to the COVID National Emergency, the timeframe has changed. Timeframes are determined by referring to the end of Outbreak Period (the end of the National Emergency plus 60 days) or one year. This means:

- the timeframe for the election of coverage is suspended until the earlier of 60 days from the end of the Outbreak Period or one year from the COBRA qualifying event, plus any remaining time from the normal election period.
- the timeframe for making the initial COBRA premium payment is suspended until the earlier of 45 days from the end of the Outbreak Period or one year from the due date for the initial payment, plus any time remaining from the normal initial payment deadline.
- the timeframe for making a monthly COBRA payment is suspended until the earlier of 30 days from the end of the Outbreak Period or one year from the payment due date, plus any time remaining from the monthly payment deadline.

The QB must elect COBRA coverage and make the required premium payment as outlined in their Qualifying Event Notice communication for coverage to be activated and claims to be paid. It is important the QBs understand that coverage will not be activated, and claims will not be processed,
until the required premium is paid. If a QB does not make required premium payments timely, claims will not be paid until the premium payments are made.

Once the suspension of timeframes is over, the standard timeline will be:

- COBRA elections must be made with 60 days.
- Initial COBRA payments must be made within 45 days of the COBRA election, and
- Monthly COBRA payments must be made within 30 days of the monthly payment deadline.

**What’s covered under COBRA? New 5/29**

With COBRA, a person can continue the same coverage they had when they were employed. That includes medical, dental and vision plans. They cannot choose new coverage or change their plan to a different one. For example, if they had a medical plan and a dental plan, they can keep one or both. But they wouldn’t be able to add a vision plan if it wasn’t part of their plan before COBRA.

**How can a person get health insurance if they don’t qualify for COBRA? Update 3/8/2021**

They may be able to get coverage through the Health Insurance Marketplace, which may cost less than COBRA continuation coverage, particularly when subsidies are available through the Marketplace. There are also special enrollment periods available when job loss or a reduction in hours results in a loss of coverage. The COBRA participant may also have special HIPAA enrollment rights under their spouse’s plan if they had coverage under their employer’s plan at the time their spouse enrolled in their other coverage. Individuals over age 65 may find that they do not have to pay for COBRA because they are eligible for Medicare.

You can compare costs to see if a short-term insurance plan would work for your needs. Standard short term health insurance plans may help you fill a gap in coverage from 1 month to just under a year.

Through the Marketplace they may qualify for free or low-cost coverage from Medicaid or the Children’s Health Insurance Program (CHIP).

**Does UnitedHealthcare offer individual health coverage options for members who have been laid off or deactivated by their employers? New 5/1**

Yes. Members in this situation may have individual coverage options available besides COBRA, including ACA Exchange plans, Medicare plans for those over 65, Medicaid plans for those that qualify based on income level, short term limited duration insurance plans and more.
Broker information and resources to help customers connect laid off/term employees to individual coverage options.

The employer or member may contact their broker or call the **toll-free hotline at 1-844-316-8479 and** speak to a licensed insurance agent who can conduct a comprehensive needs analysis and help them find the coverage solutions that may be right for them based on their specific needs.

Customizable information and support:

- **Individual Coverage Options Email** — Send to employees following layoff or termination.
- **Employee Letter** introduces Individual Coverage Options — Attach to email (above) or send via mail to employees following layoff or termination.
- **Individual Coverage Options Flier** — Attach to email or include with letter.

**If an employee declined COBRA coverage in the last 30 days, does this re-open their ability to elect?** New 4/5

If a COBRA eligible member declined COBRA coverage, they will no longer be eligible. They would need to consider one of the options available for individuals, such as the Health Insurance Marketplace or a short-term duration policy.

**How do I pay for COBRA? Update 3/8/2021**

Under COBRA individual are required to pay the full premium for coverage, plus a 2% administrative fee. When employed, the employer generally pays for some of the cost of your health insurance. That means individuals are likely to pay more for COBRA coverage.

Learn more about COBRA coverage

**Are members able to just pay for those months of COBRA continuation that they need as opposed to making all the required payments? How about if the member is stuck overseas due to COVID? Update 3/8/2021**

No. While nothing would require an individual to pay the entire year’s COBRA premium, members are not allowed to select the months of COBRA they want to pay for.

**If a member is laid off, they can elect COBRA due to termination? If a member is furloughed, can they elect COBRA? Update 3/8/2021**

They might not be eligible for COBRA if they lose their job or are furloughed if they are still able to obtain group health plan benefits through their employer. If the employer decided to discontinue offering medical benefits to their laid off or furloughed employees, then COBRA may be a coverage option.

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In other words, if benefits are offered during furlough, COBRA is not an option. However, if the employer does not offer benefits to the furloughed employees, COBRA would be an option.

What does the recent guidance state on extension of COBRA notices and elections? Update 3/8/2021

Under Disaster Relief Notice 2021 01 issued in response to the COVID National Emergency, the timeframe for electing COBRA has changed. Timeframes are determined by referring to the end of Outbreak Period (the end of the National Emergency plus 60 days) or one year. This means:

- the timeframe for the election of coverage is suspended until the earlier of 60 days from the end of the Outbreak Period or one year from the COBRA qualifying event, plus any remaining time from the normal election period.
- the timeframe for making the initial COBRA premium payment is suspended until the earlier of 45 days from the end of the Outbreak Period or one year from the due date for the initial payment, plus any time remaining from the normal initial payment deadline.
- the timeframe for making a monthly COBRA payment is suspended until the earlier of 30 days from the end of the Outbreak Period or one year from the payment due date, plus any time remaining from the monthly payment deadline.

The QB must elect COBRA coverage and make the required premium payment as outlined in their Qualifying Event Notice communication for coverage to be activated and claims to be paid. It is important that QBs understand that coverage will not be activated, and claims will not be processed, until the required premium is paid. If a QB does not make required premium payments timely, claims will not be paid until the premium payments are made.

Once the suspension of timeframes is over, the standard timeline will be:

- COBRA elections must be made with 60 days.
- Initial COBRA payments must be made within 45 days of the COBRA election, and
- Monthly COBRA payments must be made within 30 days of the monthly payment deadline.

How are COBRA participants notified of the temporary extension? Update 8/12

A COBRA Reinstatement notice was mailed in May to the 700 individuals whose coverage was deactivated for nonpayment before the rule came out.

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How does the revised COBRA timeline work during the COVID-19 Outbreak Period? Update 3/8/2021

- With the changed timelines, the election period is extended the earlier or 60 days following the end of the Outbreak Period or a maximum of one year after the COBRA qualifying event, plus any time remaining on the normal election period. The participant may elect to continue coverage any time during the Outbreak Period and must pay their premium for coverage to be activated and claims to be processed.
- A statement for premiums is mailed each month. For claims to be processed, the participant must make the initial and monthly required payments.
- The timeframe for making the initial COBRA premium payment is suspended until the earlier of 45 days from the end of the Outbreak Period or one year from the due date for the initial payment, plus any time remaining from the normal initial payment deadline.
- The timeframe for making a monthly COBRA payment is suspended until the earlier of 30 days from the end of the Outbreak Period or one year from the payment due date, plus any time remaining from the monthly payment deadline.

Does the Disaster Relief Notice 2021-01 apply to Mini COBRA and State continuation coverage? Update 3/8/2021

The notice does not apply to Mini COBRA or State Continuation.

Is the 18 month COBRA coverage period impacted by this order? Does the Outbreak Period extend the 18 months? New 5/14

The COBRA coverage period is not impacted by this notice.

Does Disaster Relief Notice 2021-01 apply to Ancillary products? Update 3/8/2021

All products subject to COBRA, such as medical, dental and vision benefits would have timeframes for elections and payment suspended.

Does Disaster Relief Notice 2021-01 apply to both fully insured and self-funded plans? Update 3/8/2021

Yes. The changes apply to fully insured and self-funded products.
If I elect COBRA coverage, will my policy be effective even if I don’t make a payment? Update 3/8/2021

A participant may activate COBRA coverage by making the required payment in full by the earlier of 30 days after the end of the outbreak period or a maximum of one year from the COBRA qualifying event, plus any time remaining under the premium payment deadline. Otherwise, claims will be the responsibility of the individual.

How will we officially know when the Outbreak Period ends? Update 3/8/2021

The National Emergency ends when the President revokes or does not extend the order. The president extended the National Emergency on February 24, 2021 for up to one year. We are monitoring the situation and will communicate the change.

Will we need to notify COBRA participants of the date the Outbreak Period ends? Update 3/8/2021

COBRA requires that administrators notify QBs when continuation coverage is no longer available. We do expect that COBRA will no longer be available to QBs after the National Emergency ends, 60 days expire and additional time remaining on applicable timeframes is exhausted.

How will UnitedHealthcare communicate the new timeframes to employers? Update 3/8/2021

We will leverage the FAQ information on uhc.com/employer and through article posted on uhc.com customer news section.

What is UnitedHealthcare’s normal grace period for Cobra payments Update 3/8/2021

Once the initial payment has been made within 45 days of the election, the normal grace period for premium payment is 30 days after the monthly due date.

If a participant does not make required payments during Outbreak Period, coverage will not be activated. Under the Notice, the timeframe for the employee (or qualified beneficiary) to make their required payments has been extended. However, if premiums remain unpaid, claims will be the responsibility of the individual.

What is UnitedHealthcare’s normal policy for individuals to give notice of a qualifying event? Update 3/8/2021

Currently, a covered employee (or one of the qualified beneficiaries) must be allowed at least 60 days to give notice to a Plan that certain qualifying events have occurred. These events include divorce, legal separation or loss of child dependent status. Employers, on the other hand, have 30
days to give notice of a qualifying event that includes termination or reduction in hours of employment, death of the employee, entitlement to Medicare or an employer bankruptcy. Once notice of a qualifying event is given, the Plan has 14 days to issue the COBRA election notice.

Under the final rule, the timeframe for the employee (or qualified beneficiary) to give notice to the Plan has been extended to the earlier of at least 60 days after the end of the Outbreak Period or a maximum of one year from the employee becoming eligible for COBRA, plus any time remaining to give notice under the normal rules.

Can you confirm what will happen from a claim standpoint if a COBRA member has not paid premium, are we still required to pay claims? Update 3/8/2021

If a COBRA member has not paid premium, coverage will not be activated, and claims will not be processed. The individual has until the earlier of 30 days after the end of the Outbreak Period or one year of their premium due date, plus any time remaining under the payment rules to make the payment.

Can a COBRA member be reinstated if the individual makes the required payments to their employer after being deactivated? New 9/18

Yes. The member will be reinstated, and claims processed back to the last paid through date beginning on or after 3/1/2020. Once the President announces an end date to the Outbreak Period, the member has until 30 days after the Outbreak Period ends to make the required COBRA premium payment.

With the new regulations allowing COBRA participants to miss making payments and still be able to stay on the plan, if a customer provides a report, can UnitedHealthcare not activate those beneficiaries whose accounts are in arrears, but not terminate them? Update 3/8/2021

Yes. Our approach is to deactivate coverage when the required premium is not paid. However, coverage may be reactivated if the premium is paid prior to the earlier of 30 days after the end of the Outbreak Period or within one year of the individual’s eligibility plus any remaining time under the normal rules. When required premiums are made timely, UnitedHealthcare will process claims.

Are employer groups required to continue to make COBRA premium payments they are billed for, even if COBRA beneficiaries have not paid the group for their COBRA premium? Update 3/8/2021

No. Groups are not responsible for the COBRA premium. Under the Notice, the plan can require that all the premium be paid the earlier of 30 days of the end of the Outbreak Period or within one year from the COBRA qualifying event plus any remaining time to make payment under the normal rules.

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If an employer group paid UnitedHealthcare on behalf of a COBRA member without receiving the required payment from the COBRA member, can the employer group recoup that payment upon deactivation of that COBRA member?  **Update 10/1**

The Department of Labor COVID19 Payment Extension Final Rule, has been updated based on interpretation from the IRS that allows for deactivation with re-instatement if premiums are paid.

Our policy is that we would retroactively deactivate the member’s coverage back to the date of the COBRA qualifying event. The customer would receive a credit on its invoice.

**How would UnitedHealthcare handle the situation for an employer who has been paying COBRA premium, but the former employee has not paid their premium or stopped paying premiums? Update 2/15/2015**

The Department of Labor COVID19 Payment Extension Final Rule allows for deactivation of coverage with re-instatement if premiums are paid. Based on this guidance, Groups/COBRA Administrators are permitted to deactivate coverage for non-payment. A revised process to handle these retro deactivations is being implemented, which will allow customers to retroactively deactivate COBRA members back to the last pay thru date (back to 3/1/2020) without going through the RMS process.

- If payment has been made by the employer for the COBRA participant without receiving payment by the participant, the employer can deactivate the member and would receive a credit for any months paid on behalf of the participant, on their next invoice.
- If no payment has been made, the deactivation would be processed with no credit.

**How does the plan recover claim dollars if claims are paid and premiums are not collected? Update 8/12**