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COBRA Time Frames

What is the deadline for the COBRA extensions?

The deadline occurs 60 days after the national emergency has been declared over.

Can you explain the outbreak period again?

Plans subject to ERISA or the Code IRC must disregard the period from March 1, 2020 until 60 days after the national emergency is declared over or such other date as announced by the Agencies in a future notification. As of April 30, for example, most election periods and grace periods have been extended by at least 120 days (since March 1).

Will the outbreak period end date depend on when each state defines the end date?

Someone in Michigan vs someone in Indiana could have two different dates, correct. It is entirely possible that the emergency may be declared over at different times for different areas, regions or states. Infinisource is prepared to calculate these dates separately, if necessary.

Do they expect the end date is soon?

This could go into the summer and maybe even into the fall. There is no date known at this time.

Will Infinisource be notifying groups and/or participants of these tolled timeframes?

Communications are being provided regarding the extension.

How does this apply to participants that are already on COBRA and have been making payments?

All grace periods that will end or did end on or after March 1, 2020 will be tolled until 60 days after the national emergency is declared over.

Coverage and Payments

Can COBRA coverage be termed for non-pay, and then reinstated if payment is made within the extension period?

We suggest “suspending” coverage during these extended grace periods, and “terminating” coverage (and sending the corresponding Termination Notice) after the extended grace period has been exhausted.

When an election is made, does the coverage still begin on the day following the actual loss of coverage date?

The COBRA coverage rules have not changed regarding event and loss of coverage dates.

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Would COBRA participants still owe premiums due dating back to the effective date even if they do not elect until September 2020?

The COBRA coverage rules have not changed. You must pay for the coverage before you are reinstated for the benefits.

If a participant elects, but is unable to pay premiums within their 45-day retroactive grace period, do they have active coverage because the time frames have been tolled?

Coverage is not provided until a timely payment is made. The grace period to make that payment has just been extended.

If a terminated employee does not pay their retroactive premiums, will the employer be responsible for the premiums during the extended time frame?

The participant is responsible for paying their premiums in a timely manner. That time frame has just been extended. We suggest suspending coverage for a period until that period has been paid.

If a participant has elected and paid and is active on coverage, can coverage each month after being suspended until payment is made?

Once payment is made, the coverage can be reinstated and then suspended until the next month’s payment is received.

If an individual was paid thru March 31, 2020 for COBRA and then failed to pay for April 2020, should they be termed from coverage?

We suggest “suspending” coverage during the grace period. However, if a valid payment is made within the extended grace period, the coverage should be continued to the last paid thru date.

How does an employer handle a participant who did not originally elect, but now has an opportunity to elect again?

If an election and payment is made within the extended time period, they would be enrolled back to the original loss of coverage date with the benefits that were active at that time.

If we have fiduciary responsibility to prevent loss of benefits, can we wait to reinstate coverage until payment is made?

It is recommended to suspend coverage for all coverage until the monthly payment is received.

Does this mean that a participant can wait until after the outbreak period ends, then select COBRA and do catch-up payments?

Yes, if the election and all applicable payments are made within the extended periods.

If a participant waits longer than 60 days to make their original election, would the COBRA effective date be retroactive to the date on the paperwork or when the participant elected the coverage?

The coverage will be retroactive the original loss of coverage date.

If a participant does not make their COBRA payment, do we wait to cancel the coverage benefits until the end of the national emergency?

Coverage should not be reinstated until payment is made. If failure to make a monthly payment occurs after reinstatement, the coverage is suspended until payment is made.

Can the employer term the member from coverage until they elect or receive payment?

Yes; however, coverage must be reinstated if a payment is received within the extended grace period.

If an individual wishes to keep coverage with COBRA, could they essentially be paying a portion of premium (at any amount) throughout the outbreak period as long as they get "caught up" by the end of the new 45-day grace period?

Yes. Infinisource's Premium Remittance reports will specifically identify partial payments for your convenience.

If an employer wanted to cover premiums for some of our associates, do they submit the same form for only the periods they are covering?

Yes, you can create these subsidies within our COBRA portal.

If the national emergency was not declared over until March 2021, and an individual had a qualifying event March 2020, but they never acted until a year later would they owe cobra premiums for an entire year?

If still within the extended grace period time frame, yes.

Notifications

If an employer uses Infinisource for COBRA, are you still sending out notices timely?

Yes, Infinisource has maintained its typical mailing schedule.

How are participants made aware that the election period has been extended due to the tolled timeframe?

Infinisource is providing communications to all eligible participants.

Are we required (or our COBRA vendor) to notify those on COBRA of this extension?

While Notice 2020-01 did not outline a deadline for notifications or provide a model notice, Notice 2020-01 does effectively contain a requirement to make reasonable efforts to notify. Infinisource will be notifying all eligible Qualified Beneficiaries.

When will updated notices be sent to the participants?

Infinisource has applied a temporary extension to participant records. We will apply further extensions of timeframes when the National Emergency is officially declared over. We may also apply additional temporary updates until the National Emergency is declared over. Participants should review their records through our secure website for updates.

Is there a sample updated COBRA notice showing the language Infinisource will use available to customers?

A copy of the letter sent to Qualified Beneficiaries is available within the website page, www.infinisource.com/timeframes.

Will Infinisource be basing their COBRA notice on the DOL model notice released recently?

A model notice was not created for purposes of Notice 2020-01. Infinisource is currently creating a notice for this purpose. We are aware of other updates to notices and we will address those as soon as possible.

Has Infinisource updated the notices according to the model notice on the DOL website that was recently updated?

While new model notices have been issued, these models do not address the requirements of Notice 2020-01. Infinisource will address those updates as soon as possible.

What will the extension notices look like? Will customers have a choice on cadence?

Infinisource will be providing an initial letter to participants to provide them with the details on the timeframes and the temporary extension(s) applied to their records. Infinisource recommends participants to review additional updates through our secure website at www.infinisource.com/logins.

Reports

Will Infinisource still generate non-payment reports during this extension period?

Our system will NOT age a participant for nonpayment until the applicable grace period has expired. At this time, extended grace periods have been applied in our system and our system will recognize these participants as “active” once again.

How will Infinisource send reports to carriers for termination of coverage due to non-payment, but not actually term coverage?

Participants will not be reported for nonpayment until the extended grace period is expired. We recommend managing COBRA eligibility based on the paid through date, and we will be offering webinars to familiarize our clients with this process.

Do we depend on the Daily Status Change report to know when a participant has elected and paid?

Yes.

If coverage is suspended each month, will the Daily Status Change report be sent each month to reinstate participants as they pay?

A Daily Status Change report will be sent only when activity occurs. This report does not provide updates for monthly payments. We suggest that you use our Participant Status Report, which will be sent to you weekly, to examine paid through dates. Participants will not be terminated until the extended grace period has expired.

Why did I receive a COBRA report to term a participant for non-payment if their grace period has been extended?

We have applied extended grace periods to all records. Please review your Participant Status Report for updates on records that are now active where a prior report requested a removal. Participants can request to end their coverage or their COBRA could expire during this period as well – which would be reported on your Daily Status Report as a removal.

Carriers

Are all insurance carriers handling retroactive credits for terminations?

You will need to work with your carrier to determine billing and payment procedures. If that leaves you with questions on how to manage COBRA eligibility, please contact Infinisource and we can share suggestions on how our reports can help you.

Are all insurance carriers prepared to follow these timeline extensions?

Notice 2020-01 really applies to plan sponsors and administrators, however, carriers are bound to helping their contracted groups comply with the applicable rules. Please contact your carrier(s) directly to determine their procedures.

If a participant elects, but never pays, will the carrier back-date the termination of benefits?

Infinisource will only classify a Qualified Beneficiary as a New Continuee after the first coverage period is paid in full. We suggest following our reports closely to help you manage COBRA eligibility.

Will claims be paid during a period in which no payment has been made?

Please discuss claims payment procedures with your carrier. Claims payments may be based on how you manage eligibility.

If a participant is on our COBRA plan and does not make any payments, do we continue the policy until after the end of the national emergency?

Procedures for managing eligibility should be discussed with your carrier, however we suggest suspending coverage until applicable payments are made.

If the participant has that long to pay for the coverage, how do they stay insured with the Insurance Carrier? Since they want current payments?

Coverage should be held in suspense until the full payments are made. Please consult with your carrier for procedures in managing COBRA eligibility.

If the participant has claims, but then fail to pay premiums, will we have an issue to work out with our medical carrier?

Coverage should be held in suspense until payment is received. Claims should not be processed if the coverage is not active. Please consult your carrier for procedures in managing COBRA eligibility.

How will participants get health care with their doctors without paying their premium?

The participant may need to pay for expenses out of pocket, then once payment and reinstatement with the carrier has occurred, they can be reimbursed, by the carrier.

Does Infinisource communicate with the carriers once full payment has been made and then past doctor bills during that time will then be paid by the carriers?

Correct, Infinisource does not send reports to reinstate coverage until the first full monthly COBRA premium is received. It is all retroactive, so any claims during that time period can be submitted to the carrier.

What coordination if any is there with the carriers?

Your current arrangement will continue. If you manage COBRA eligibility currently, please continue to do so. If Infinisource sends reports to your carrier, that will continue.

Do you know if the insurance companies are prepared to "suspend" if necessary?

You should contact your carrier(s) to discuss their procedures.

You currently notify our carriers when to add/terminate coverage. Will that continue?

Yes

Do you manage suspending their benefits?

For Infinisource clients with COBRA Eligibility Management Service (CEMS), Infinisource is currently examining procedures for suspending coverage based on paid through dates. For all other clients, please refer to your Participant Status Report for most current paid through dates.

Other

Is the extension for all COBRA Qualifying Events?

These extensions of timeframes apply to all qualifying events, to the extent that the Qualified Beneficiary had a last date to elect or a grace period meeting the criteria.

Can you confirm that employees who lost their job due to COVID-19 are subsidized by the government for their COBRA for a full 18 months?

Currently, there is no ruling or legislation on subsidies. We are aware of proposed legislation, and we are monitoring closely.

Will there be a fee to employers for the added notifications and monitoring of records thru this extended period? If so, please provide the cost? When will the letters be mailed?

There will be a fee for the extra notices required. This fee will cover not only the costs associated with mailing, but also the additional staffing required to field questions from participants. We do not yet have a date established for mailing, but Infinisource clients will receive a report of notices sent on your behalf.

So, if employees are laid-off or on furlough on June 1st, are they COBRA eligible for the extension?

Yes, nothing has changed in terms of what events are COBRA-eligible.

If an employee is getting laid off June 1st, their coverage will end July 1st. Do we offer Cobra?

If there is a COBRA-eligible event that causes a loss of coverage, then yes, COBRA should be offered.

If someone has a life event such as marriage, birth of child, etc. would they get additional time to make changes to their election?

Yes, the 30-day requirement to notify the administrator of the life event is tolled until 60 days after the national disaster is declared over.