

May 14, 2021, HBR Alert



New COBRA Subsidies under the American Rescue Plan Act

This is the fourth in a series of HBR Alerts the State Health Plan has released since March 23, 2021, related to the COBRA subsidies included in the American Rescue Plan Act of 2021.

Since learning of this new program in March, the Plan has been working with iTEDIUM, the Plan's COBRA and Direct Bill Administrator, to develop the infrastructure necessary to *identify*, *notify* and *track* Assistance Eligible Individuals (AEI).

Beginning Monday, May 17, 2021, we will be in production.

Notices

Next week, iTEDIUM will begin sending out notices to all AEIs. This includes the "wide net" of possible AEIs that the Plan and iTEDIUM have identified for the period of September 2019 through May 14, 2021.

As noted in previous HBR Alerts, the Plan is able to filter out terminated members that are now enrolled in other employing units or via the Retirement Systems. However, because not all employing units have historically used the involuntary termination reason code when processing a termination, the "look-back" mailing will inevitably

include members that do not qualify for the subsidy. This will get sorted out through the attestation process.

Monday, May 17, 2021, will also be the first day that members newly terminated with an involuntary termination reason code will automatically receive the AEI notice. Therefore, it is crucial that employing units use the correct termination reason code when processing terminations.

Inaccurate Termination Reason Code

Once the initial termination is processed within eBenefits, there is no opportunity to correct the termination reason code. In other words, you only get one opportunity to terminate the employee properly to generate the correct COBRA notice. If an employing unit realizes that they have terminated an employee with the incorrect termination reason code, they should contact the Plan immediately via HBRInquiries@nctreasurer.com.

The Plan will request iTEDIUM manually trigger an updated COBRA notice. **The cost to retrigger a COBRA notice will be \$15 per notice. The Plan will invoice the employing unit for the updated notice.**

Member Elections and Attestations

AEIs who want coverage will be able to make elections online or via a paper form. Regardless of how they enroll, they will have to attest that they lost coverage due to an involuntary termination or reduction in hours. Once the member has attested to qualifying for the subsidy, the Plan will reach out to the employing unit's designee to confirm eligibility. Employing units must respond within seven (7) days or the Plan will assume the former member qualifies.

Reporting

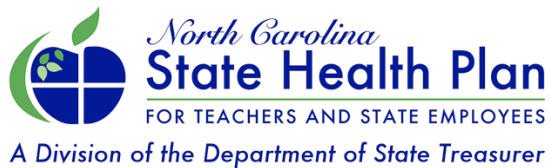
The Plan hopes to begin providing enrollment reports to employing units in June. These reports will include the information necessary for the quarterly payroll tax reporting. The final guidance on this reporting has yet to be released.

Still to Come

As noted in previous HBR Alerts, the Plan believes the employing unit invoicing process will start as early as July. More information will be provided as soon as guidance is available.

As a reference, below are links to the Plan's previous HBR Alerts regarding this topic.

- [March 23 HBR Alert](#)
- [April 20 HBR Alert](#)
- [May 3 HBR Alert](#)



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