

May 3, 2021, HBR Alert



New COBRA Subsidies under the American Rescue Plan Act

On March 23 the State Health Plan released an [HBR Alert](#) highlighting the new COBRA subsidies included in the [American Rescue Plan Act of 2021](#). [On April 20](#), the Plan provided additional guidance around notification and attestation. Guidance related to employer reimbursement for the subsidies is still forthcoming.

With this update, the Plan intends to address **how** and **who** the Plan will communicate with at the employing unit about ongoing individual eligibility, reporting and reimbursements.

Ongoing Communications about Eligible Members, Reporting & Plan Reimbursement

While the programs are not identical by any means, the processes to support this initiative are somewhat similar to what is needed to meet the federal government's 1095 reporting requirements; therefore, the Plan is going to build the ongoing communication plan around the employing unit contacts currently established for the 1095 process. For those employing units that do not utilize any of the Plan's 1095 solutions, the Plan intends to contact the employing units' Dependent Eligibility Verification Audit (DEVA) contact. **The Office of State Controller will be the primary contact for all state agencies.**

If an employing unit would prefer to establish a new contact for the Plan to work with to support ongoing eligibility, reporting and reimbursement for the COBRA subsidies included in the American Rescue Plan Act of 2021, the employing unit should email contact information to HBR.Inquiries@nctreasurer.com.

Still to Come

The Plan still has a lot of details to refine so there will be more information coming about the initial notice and validation process. While the exact plan is yet to be determined, the Plan will be reaching out to these contacts on each member that attests they are eligible for this subsidy. The employing unit will need to confirm or deny their eligibility. Please ensure that communications from the Plan are responded to in a timely manner. Members whom the Plan does not receive a response to within 7 calendar days will be assumed to be involuntarily terminated and eligible for the subsidy.

Of equal importance is the reimbursement process. Based on information provided to date, the Plan believes that process will start as early as July. More information will be provided as soon as guidance is available.

And finally, the exact date for turning on the automation of the notices for involuntarily terminated members or members that had a reduction in hours is still to be finalized. The next HBR Alert will have more information about that. Until then, the Plan will continue to review all terminated members for eligibility in the program.



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