

COVID-19: COBRA, ACA & BENEFITS QUESTIONS ANSWERED

KEY CONSIDERATIONS FOR BENEFITS ADMINISTRATION & HEALTH INSURANCE IN LIGHT OF COVID-19

Some Housekeeping Items:

- ❑ All participants have been placed on mute
- ❑ All registrants will receive a follow up email with a link to the recorded webinar and any training documentation
- ❑ Stay updated and register for upcoming webinars on our COVID-19 INFO Center here: <https://ctrhcm.com/home/covied-10-information-center/>
- ❑ This training is intended for educational and informational purpose. We hope that you learn a lot, but the information should not be construed as legal or tax advice.
- ❑ If you have any questions or want to request training, please email training@ctrhcm.com

Today's Presenters:



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Thank you for joining us for the Key Considerations for Benefits Administration & Health Insurance in Light of COVID-19 Webinar!

Today, we will be reviewing:

- ❑ Benefits Administration and how Insurance Carriers are responding to COVID-19
- ❑ ACA Tracking and Maintaining Employee Records
- ❑ COBRA Compliance
- ❑ How to manage INF COBRA integration in iSolved

Please direct your questions and feedback to Tracey Frazier
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BENEFITS ADMIN PRIOR TO COVID-19

- **What is the definition of a “benefit eligible employee”**
 - Outlined in your plan document and/or contract with carriers
 - Typically defined as a “full-time active employee” and in some cases the number of hours are specified.
 - Under ACA the hours worked must average 30 hours/week
- **When does an employee lose eligibility for group health plan?**
 - Upon termination, reduction of hours, layoff
- **When does coverage end?**
 - Plan documents/contracts define the coverage end date – could be last day of employment or end of month

BENEFIT ADMINISTRATION AND COVID-19

Reduction in Hours/Furlough of employees

- **Will employees lose coverage if they experience a reduction in hours or are put on furlough?**
 - Typically this would be classified as a Qualifying Event and would result in a loss of coverage, however in some cases insurance providers are allowing furloughed or employees that experience a reduction of hours to remain on coverage for a specified period after the reduction/furlough occurs.
 - It is recommended that you discuss directly with your broker or insurance carrier for specifics related to your plan.

- **CARES Act in relation to Health Care Premiums**
 - Under the “CARES” Act, employers may be eligible for tax credits if they continue paying salary and group health plan premiums for employees during the COVID-19 outbreak.



BENEFIT ADMINISTRATION AND COVID-19

Takeaways regarding Benefit Administration and COVID-19

- Review state and federal laws to determine what laws apply in order to comply with all requirements as it relates to benefit administration
- Review your plan documents and/or carrier contracts to determine what your plan allows
- If necessary, negotiate changes to your plan with your insurance carrier that best meets the needs of your business during COVID-19
- If necessary, provide updated plan documents and summaries to employees
- Take necessary actions as it relates to benefits to ensure compliance and best-case scenario for you as the employer and your employees

ACA AND COVID-19

Considerations for Managing ACA during COVID-19

- **Are you continuing coverage through your group health plan other than through COBRA?**
 - Benefit eligibility rules will need to be amended accordingly to include furloughed employees as part of your benefit plan
 - Updating applicable rules will allow iSolved to populate the correct codes on the 1095-C form.

- **You are laying off/furloughing employees and offering them COBRA**
 - These employees should be entered into a layoff/furlough (or terminated if you chose to terminate) status in the system
 - Benefits end dated according to plan termination rules

INSURANCE CARRIERS RESPONSE TO COVID-19

Plan Eligibility Modifications:

- Carriers are modifying the “***actively at work***” definition to allow participants that are placed on furlough or who have dropped below the minimum hour requirement to maintain their benefit eligibility during the temporary furlough due to COVID-19.
- Special COVID-19 Enrollment period which allows employees that have previously waived coverage for themselves/dependents to enroll in coverage without experiencing a “qualifying event”
- Waiver of Waiting Periods when an employee is rehired or reinstated after a layoff due to COVID-19



INSURANCE CARRIERS RESPONSE TO COVID-19

Coverage Modifications:

- Co-pays and/or Cost-Sharing for testing and treatment related to COVID-19 are being waived



- Free Teledoc/TeleMed enrollment
- Teledoc/TeleMed co-payments are being waived for non-COVID-19 related health issues
- Waiving prescription early refill limits on medications filled at retail and mail order pharmacies



INSURANCE CARRIERS RESPONSE TO COVID-19

Relief for Employers:

- Premium relief
- Allowing plan sponsors to make changes to their current plans and select a less expensive plan to ensure they can continue to offer health plan coverage to their employees



INSURANCE CARRIERS RESPONSE TO COVID-19

AETNA

- Special Open Enrollment Period 4/6/20-4/17/20
- Waiting Period waived for terminated employees through 7/31/20
- Plan Changes can be made for employer groups to ensure the ability to continue offering benefits to employees
- Waiver for COVID-19 testing and treatment co-pays and cost-sharing

UNITED HEALTHCARE

- Special Open Enrollment Period through 4/13, retro coverage to 4/1/20
- Cost-Sharing is waived for in-network, non-COVID-19 telehealth visits through 6/18/20
- Adding and/or changing to less expensive plans are available for employer groups through 4/13/20
- Waiver for COVID-19 testing and treatment co-pays and cost-sharing through 5/31/20

HIGHMARK BCBS

- Deductibles, CO-Insurance & Co-Pays for In-network, inpatient hospital care for COVID-19 will be waived
- Through June 1st, reduction and hours or furloughed employees can remain on group health coverage for up to 90 days
- Employees furloughed or laid off prior to 6/30/20, will not have a waiting period upon rehire through 6/30/21
- Through 6/30/20, participation requirements are no longer applicable

UPMC

- April or May premiums can be deferred for up to 6-months without excess fees or charges (if employer applied for SBA Loan)
- Groups can continue coverage for an employees that are laid-off or furloughed through 7/31/20
- Non-COVID-19 telemedicine visits are free of cost-sharing and/or copay expenses
- Benefits may be adjusted mid-year by the employer group if the current plan needs reduced to continue group healthcare for employees

INSURANCE CARRIERS RESPONSE TO COVID-19

To keep updated on what insurance companies are doing visit the website below for a broad list of insurance carriers and how they are responding to COVID-19

<https://www.ahip.org/health-insurance-providers-respond-to-coronavirus-covid-19/>

COBRA

Consolidated Omnibus Budget Reconciliation Act

COBRA OVERVIEW

- Provides workers and families that lose health coverage the right to continue their benefits for a specified period of time due to a loss of employment, reduction in hours, death divorce or other qualifying event
- Generally requires group health plans with 20 or more employees in the prior year to offer employees and eligible dependents the opportunity to continue coverage under the plan
- Continuation of coverage must be identical to the coverage that is currently available under the employer sponsored health plan and the coverage in place immediately before the qualifying event
- Continuation of coverage can last anywhere from 18-36 months depending on the qualifying event
- COBRA participants are active participants under your employer sponsored health plan and must be included in your annual open enrollment if they are covered or within their COBRA election period

COBRA OVERVIEW

How do I know if I am required to provide COBRA?

- Do you offer a group health plan to your employees?
 - Exceptions apply to federal government and churches
 - **A group health plan is defined as “a plan maintained by an employer or employer organization to provide, health care, whether directly or through insurance, reimbursement or otherwise”**
- Did you employ at least 20 full-time equivalent employees on more than 50% of your business days in the past calendar year?
 - Each part-time employee counts as a portion of a full-time employee.
 - Full-time equivalent = total hours worked by all PT employees each week / total hours employee must work to be a full-time employee.
 - Example: you have 4 PT employees that work 25 hours/week, and to be full-time you must work 30 hours/week.

$$25+25+25+25=100$$

$$100/30 = 3.33 \text{ full-time equivalents}$$

COBRA – QUALIFYING EVENT DATE

EVENT

(When does the employee no longer meet the definition of an eligible employee under the terms of your plan?)



LOSS OF COVERAGE

(on what date does the employee lose coverage – *Loss of Coverage Date*)



COBRA QUALIFYING EVENT

COBRA AND FMLA

- FMLA is **NOT** a COBRA qualifying event
- Group health plans continue while an employee is on FMLA and Expanded FMLA under FFCRA
- Employees must continue to make any normal contributions to the cost of health coverage while on leave
- The Expanded FMLA provides for employees to be paid, healthcare premiums can be deducted from sick pay
- Coverage can be terminated **IF** the employee fails to pay their share of the premiums (30-day grace period applies)

If employee returns:

- Entitled to job reinstatement
- Entitled to group health plan reinstatement (regardless if COBRA was maintained during FMLA leave)

If employee does not return:

- COBRA qualifying event is last day of FMLA leave
- Qualified Beneficiaries entitled to COBRA coverage (regardless if COBRA was maintained during FMLA leave)

COBRA – QUALIFYING EVENTS



**Termination of employment
or a reduction in hours
(18-Months)**



**Divorce
(36-Months)**



**Death of employee
(36-Months)**

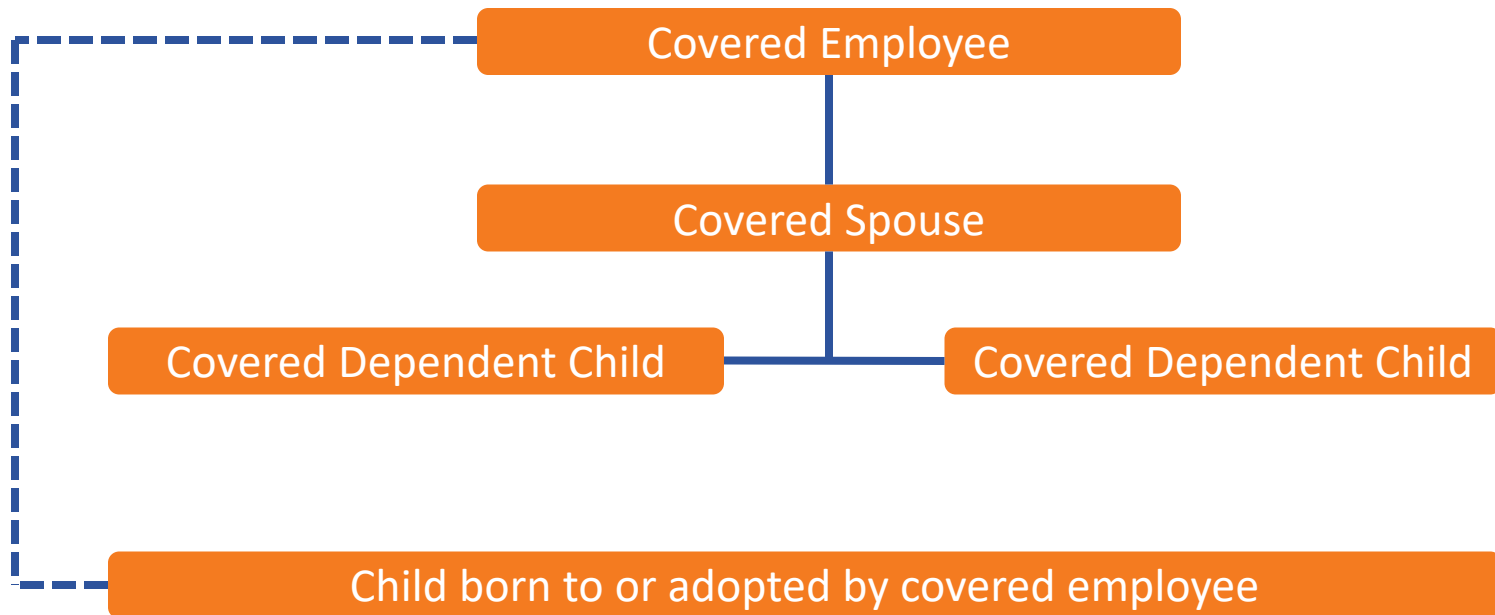


**A dependent loses their
dependent status
(36-Months)**



**Employee becomes
covered by Medicare
(36-Months)**

COBRA – QUALIFYING BENEFICIARIES



Qualified Beneficiaries have:

1. Independent Election Rights
2. Same rights as active employees

COBRA OVERVIEW

What types of benefit plans are covered under COBRA?

COBRA applies to:

Medical
Dental
Vision
Medical FSA
Certain EAP's
Certain Wellness
Plans
Certain Voluntary
Plans

COBRA does not apply to:

Life Insurance
Disability
HSA's
Long-Term Care
Plans

- Flexible Spending Accounts and COBRA
 - COBRA is offered **IF** the maximum benefit for the remainder of the plan year equals or exceeds the premium
 - The monthly contributions to the FSA plan is post-tax instead of pre-tax
 - If FSA account balance is zero, or negative, COBRA would not need to be offered

COBRA PREMIUMS

APPLICABLE PREMIUM

Notice from ER/Admin to
Qualified Beneficiaries

NORMAL COBRA
PREMIUM
(102%)

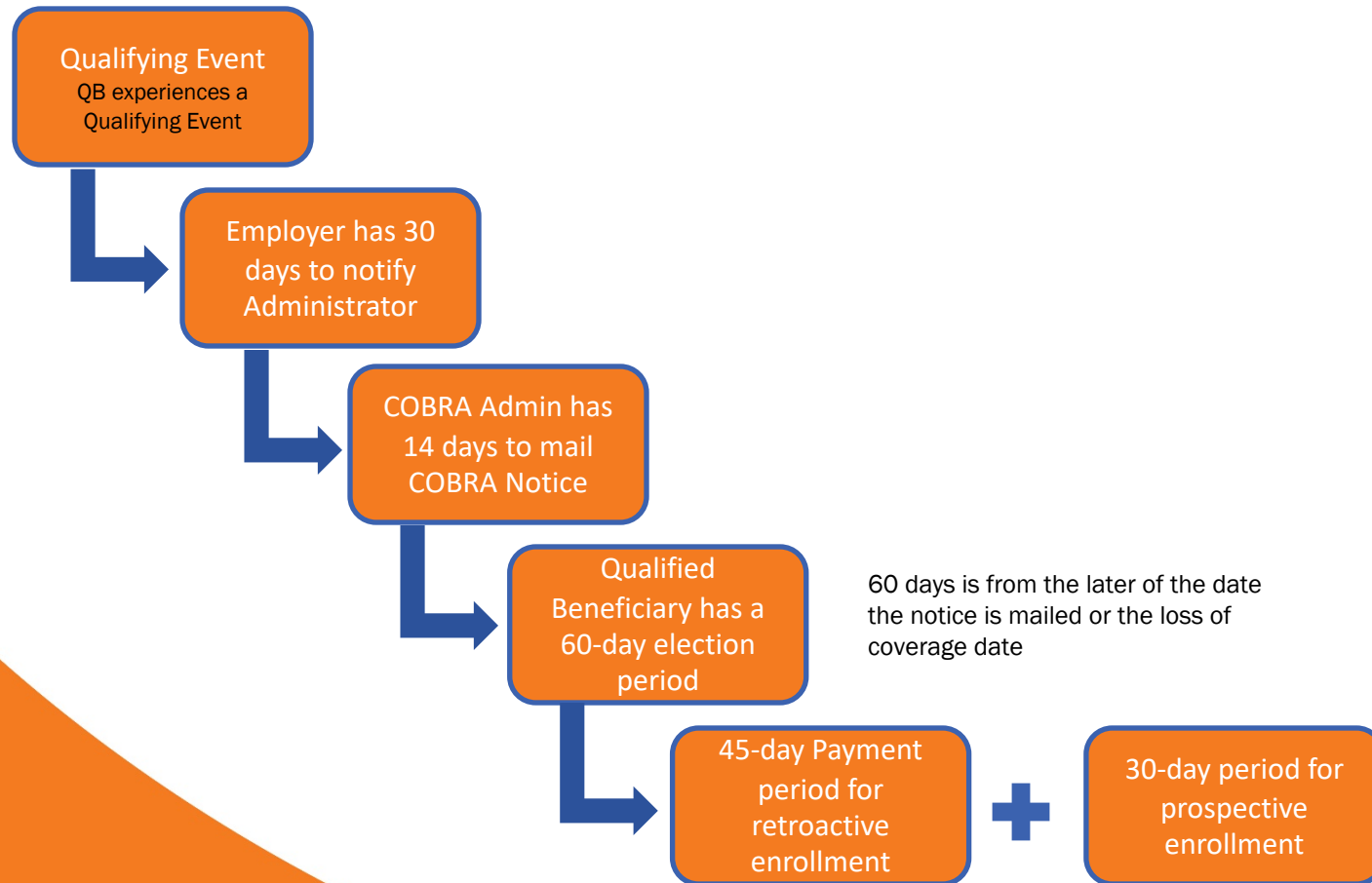
COBRA Election Period

DISABILITY EXTENSION
PREMIUM
(150%)

Retroactive Premium
Payment Period

COBRA – ELECTION PERIODS AND TIME FRAMES

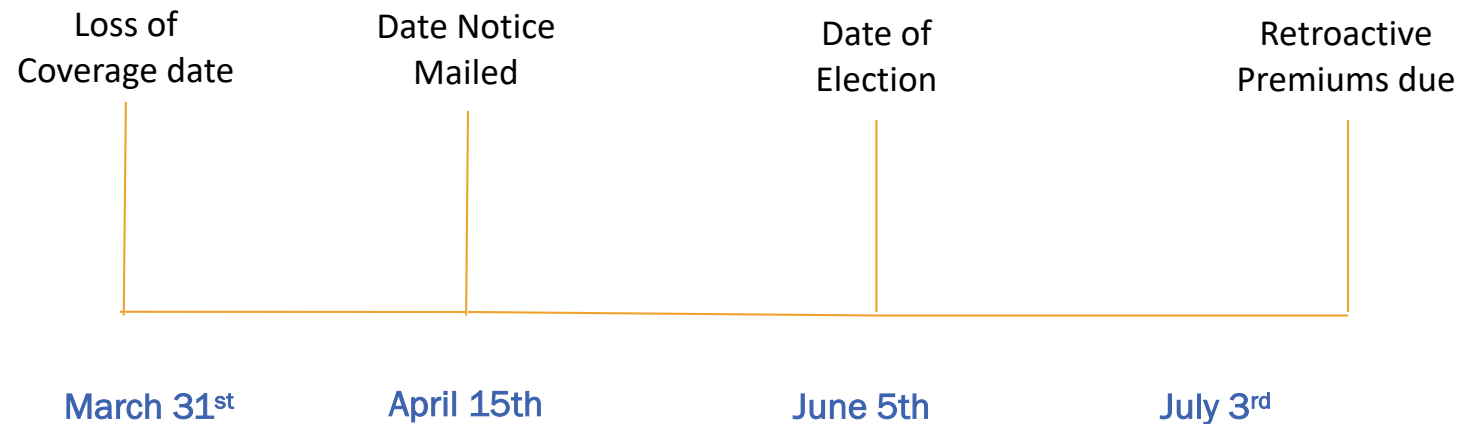
Time Frames for COBRA



COBRA – ELECTION PERIODS AND TIME FRAMES

Time Frames for COBRA

45-day Retroactive Premium Payment Timeline



COBRA RESOURCES

Link to the Department of Labor – Employer’s Guidance to Health Benefits under COBRA: <https://www.dol.gov/sites/dolgov/files/legacy-files/ebsa/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf>

Link to the Department of Labor – FAQ’s on COBRA Continuation of Health Coverage <https://www.dol.gov/sites/dolgov/files/legacy-files/ebsa/about-ebsa/our-activities/resource-center/faqs/cobra-continuation-health-coverage-consumer.pdf>

HOW TO MANAGE INF COBRA INTEGRATION IN ISOLVED



INFINISOURCE
BENEFIT SERVICES

COBRA INTEGRATION

Employment Status Change

Termination of Benefits and COBRA Integration are done through the Benefit Evaluation Utility

Search the menu

- EMPLOYEE MANAGEMENT**
 - Employee Maintenance >
 - Employee Pay >
 - Employee Benefits >
 - Human Resources >
 - Payroll Accumulations
 - Employee Change Log
 - Employee Notes
 - Performance Reviews >
 - Predecessor Wages
 - Employee Management Tools <
 - Employee Hire >
 - Employee Scheduling >
 - Benefit Enrollment Dashboard
 - Benefit Evaluation Utility**
 - Self-Service Management
 - TimeWorksPlus
 - iSched Legal (myHRconnect)
- EMPLOYEE SELF SERVICE
- CLIENT MANAGEMENT
- REPORTING
- SYSTEM MANAGEMENT
- SECURITY
- BROKER WORKBENCH
- PRODUCTION UTILITIES

Benefit Evaluation Utility

[Next](#)

The Benefit Evaluation Utility has several evaluation processes. Select the evaluation process(es) you would like to run and click 'Next' to begin. The evaluation process may take several minutes. Do NOT leave this window or close your browser while the evaluation is in process.

Employee Benefit Eligibility Evaluation

☐ Existing employees eligible for a benefit plan with no plan election

☐ New hires eligible for a benefit plan from to

Employee Loss of Eligibility Evaluation

☒ Employee loss of eligibility for a benefit plan

☐ Employee loss of eligibility for a coverage code

☐ Employee loss of eligibility for a benefit plan dependency

Dependent Loss of Benefit Eligibility Evaluation

☐ Dependent loss of eligibility for a benefit plan

ACA Benefit Eligibility Evaluation

☐ Employee loss of ACA eligibility for a benefit plan from to

☐ Employee gain of ACA eligibility for a benefit plan from to

Employee Termination Evaluation

☐ Terminated employees with active benefit plan record(s)

Once the Employees Employment status has been updated on the Employee Status History Screen you will run the Benefit Evaluation Utility report to identify the employees that will be losing coverage.

Further instructions on how to process an employment status change and finalize the COBRA process please visit www.ctrhcm.com for the full instruction guide

COBRA INTEGRATION

Termination of Employment in iSolved

Tracey Frazier

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Jacob Able
Employee#: 0001 Status: Active Hire Date: 3/1/1999

Pay Group: Semi Salary: 1048.04 Department: 300 Job: Client: 1000 - Acme Corpora
Work Location: PITTSBURGH, PA Division: 1000 Cost Center: Company: Acme Corporatio

General

Save Cancel Back

Employee Termination

* Termination Date: 4/8/2020

* Status:

* Termination Reason:

Termination Type:

☐ Eligible for Rehire

☒ Delete Future Absences

Active Benefit Plans

Benefit	Benefit Plan	COBRA Eligible	Stop Date *
Group Term Life		No	4/8/2020
Medical PPO	Medical PPO	Yes	4/30/2020
Dental	Dental	No	4/8/2020
401(k)	401(k)	No	4/8/2020

Termination Date is entered along with the applicable Termination Reason - benefit Stop Date will populate based on the plans rules setup for each individual plans

Termination Report

The Termination Report displays all active earnings, deductions, memo calculations, and garnishments that have scheduled amounts. Upon 'Save', a stop date will be added to these records. Leave accrual balances and company assets, not yet returned, are also displayed.

Direct Deposits

☐ Inactivate All Direct Deposit Accounts

Pending Benefit Plans

☐ Delete All Pending Benefits

Benefit	Benefit Plan	Start Date	Delete Plan	Stop Date *	Benefit End Reason
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Further instructions on how to process a termination and generate the necessary COBRA notice please visit www.ctrhcm.com for the full instruction guide

WEBINARS TO COME



TRACKING FFCRA LEAVE WITHIN iSOLVED- PART II

April 14th from 10-11am

SUBMIT YOUR QUESTIONS to training@ctrhcm.com by 3pm Wednesday, April 1st!

(Visit our [COVID-19 Info Center](#) to Register!)

MORE COVID-19 QUESTIONS?



Reach out to your CTR Support Representative or submit your question on our COVID-19 INFO PAGE to receive the answer to your most-pressing questions.

Don't see an answer to your question? Fill out the form below and we'll get back to you ASAP!

Name*

First

Last

Email*

What's on your mind?

0 of 500 max characters

SUBMIT

From all of us at CTR:

- Stay SAFE from COVID-19
- Stay SMART and INFORMED
- Stay KIND and support one another

To download informative and supportive COVID-19 posters & signs for your employees, please visit the World Health Organization @

<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/advice-for-public>