

COVID-19 & COBRA FAQs

Q: What is the Outbreak Period?

A: The Department of Labor and the Treasury Department created the Outbreak Period for employer-sponsored health plans. This does not apply to Church Plans or Government Plans at this time, although this may change. This rule was created because of the COVID-19 National Emergency and the difficulty it may cause for employees and dependents to meet standard time frames for electing and paying COBRA premiums.

Q: When is the Outbreak Period?

A: The Outbreak Period is from March 1, 2020, through 60 days past the end of the National Emergency. As of May 28, 2020, the National Emergency has not yet ended, so there is no way to determine the end date of the Outbreak Period at this time.

Q: When will the National Emergency end?

A: This is an unknown. Currently, the National Emergency is ongoing; therefore, we do not know the closing date of the Outbreak Period.

Q: How does this affect COBRA election timeframes?

A: Under the new regulations, an individual now has 60 days (or what is remaining of the 60 days) beyond the end of the Outbreak period to elect COBRA coverage. This means when the National Emergency is over, the employee will have an additional 60 days (or what is remaining) to elect or decline COBRA coverage. This only affects those employees whose due date to elect COBRA benefits is after March 1, 2020.

Q: If I was terminated in January and my coverage terminated on January 31, when must I elect COBRA?

A: Typically, you have 60 days to elect COBRA. In February, before the Outbreak Period commenced, you had used 29 days (Leap Year) of your 60 days. The Outbreak Period is from March 1 through 60 days past the end of the National Emergency. This period does not count towards your 60 days. Therefore, after the Outbreak Period, you have an additional 31 days to elect COBRA (60-29 days).

Q: If I quit in October 2019, and my coverage continued until October 31, 2019, and the election notice told me I must elect COBRA coverage by January 30, 2020, am I affected by the Outbreak Period? Can I now elect coverage, even if it is after January 30, 2020?

A: Unfortunately, no. Since the due date to elect COBRA was before the commencement of the Outbreak Period (March 1, 2020), you will not be able to benefit from this additional time.

Q: How does this affect paying COBRA Premiums?

A: As mentioned above, an individual has an additional 60 days beyond the Outbreak Period to elect coverage. In addition to this, the individual will have 45 more days to pay the initial premiums.

Q: What if I am already on COBRA? Does this Outbreak Period allow me more time to pay my COBRA premiums?

A: Yes. If you paid your premiums up to and including February 2020, you would not have to pay COBRA premiums from March 1 through 60 days following the end of the National Emergency. Once the Outbreak Period ends, you have an additional 30-day grace period. Then, you must pay the premiums for March and all subsequent months by the end of the grace period to keep your benefits.

Q: What happens if I hold off on paying the COBRA premiums and must get medical treatment?

A: The claims will remain unpaid until COBRA premiums are paid. It is up to you and the healthcare provider as to how to handle payment in the interim. Therefore, you should let the provider know that you have not yet paid your COBRA premiums and are waiting for the end of the Outbreak Period.

Q: Will my employer pay the premiums?

A: No. The employer is not responsible for COBRA premium payments.

Q: Can claims be denied if the premiums are not paid?

A: It is up to the insurance carrier how they are going to handle this situation. They may deny the claims with an explanation that they will reconsider if premiums are timely paid following the outbreak period. They may place the claim in a "pending" status and let the provider know the claim will be processed once the time allotted following the outbreak period is satisfied. This informs the carrier whether the premiums were paid and if claims should be considered or denied. For the months that you **timely** pay your premiums after the end of the outbreak period, you will be covered.