

American Rescue Plan Act COBRA Subsidy

ARPA introduces a 100% federal COBRA subsidy for qualified beneficiaries between April 1, 2021 and September 30, 2021

The American Rescue Plan Act of 2021 (ARPA) introduced a 100% federal COBRA subsidy for qualified beneficiaries (i.e., employees and their covered federally-recognized spouses and dependent children) that were involuntarily terminated or lost coverage due to a reduction in hours whose maximum COBRA coverage period has not expired by April 1, 2021.

It also provides a special second election opportunity for eligible individuals who have not elected COBRA by April 1, 2021, as well as individuals who previously elected – but subsequently lost - COBRA coverage before April 1, 2021.

What is the impact?

Qualified beneficiaries (and eligible dependents) who are eligible for COBRA by virtue of the employee's involuntary termination or reduction of hours are potentially eligible for the 100% COBRA subsidy from April 1, 2021 until September 30, 2021 ("Subsidy Period").

Qualified beneficiaries and their eligible dependents whose maximum COBRA period has not yet ended can also elect COBRA effective April 1, 2021 and have the subsidy applied beginning with that date and lasting for up to six months (i.e., ending September 30, 2021). For example, someone laid off in August, 2020 and did not elect COBRA, you will be able to enroll in COBRA starting April 1, 2021.

How is the subsidy applied?

Once implemented, qualified beneficiaries enrolled in COBRA will be billed \$0 for COBRA premiums between April 1, 2021 through September 30, 2021. Employers, such as Ohio University, will apply for and receive the subsidy directly from the Federal Government. COBRA enrollees do not have to apply for a subsidy from the government.

How do I determine if I am eligible for the subsidy?

The government has not released full rules regarding eligibility. At this point, our understanding is an employee and/or a federally-recognized spouse and dependent child will be eligible for the subsidy if they lost or will lose coverage due to an involuntary termination or due to a reduction of hours.

While not certain, we expect this to include faculty who received non-renewal notices in 2020 with appointments ending in May 2021.

Individuals who were involuntarily terminated via non-renewal or lay off in the past and who are still in their COBRA eligibility period (which can be up to 18 months) may also be eligible for the COBRA subsidy.

Special Note Regarding Eligibility: If an individual becomes eligible for other group health coverage or Medicare or reaches the end of her/his maximum COBRA coverage period, their entitlement to the subsidy ends. Any individual who becomes eligible for other group health coverage or Medicare must provide timely written notice that (s)he no longer qualifies for the subsidy. A subsidy recipient's failure to provide timely notice to the plan of loss of eligibility for the Subsidy is subject to a penalty of \$250 for each failure.

If you have specific questions or concerns regarding eligibility, please email the Benefits Office at benefits@ohio.edu.

When can I enroll in COBRA Coverage?

You can enroll in COBRA coverage beginning on your first date without health insurance coverage. You cannot enroll prior to this date. Qualified beneficiaries have up to 60 days from their last date of coverage to enroll in in COBRA coverage. Enrollment elections are retroactive to the first date without COBRA coverage.

How do I enroll in COBRA Coverage?

Enrolling online is the quickest way to enroll in COBRA. You cannot enroll online until your first date without health insurance coverage. To enroll online, visit [Benefit Admin Solutions](#) beginning on your first date without coverage and:

1. Choose *Anthem Blue Cross and Blue Shield (Anthem)*
2. Select *Employee & Participant Login*
3. Choose *Click Here* to register
4. Follow the instructions to register an account and make COBRA elections.

All COBRA eligible individuals are mailed COBRA packets with eligibility information and enrollment forms on or about their last day of coverage. You can enroll in COBRA by filling out and submitting the enrollment paperwork as instructed in the COBRA packet.

What if I am already enrolled in COBRA?

The university will be working with its COBRA administrator to determine whether any individuals currently participating in COBRA are eligible to receive the subsidy. If you are eligible, you should receive a notice from the COBRA administrator and may be eligible for a refund of any premiums paid between April 1, 2021 and September 30, 2021. You should continue paying your current COBRA premiums during this review period.

Who do I contact with additional questions?

Email the Benefits Office at benefits@ohio.edu with any questions or concerns.