

FREQUENTLY ASKED QUESTIONS

COBRA PREMIUM ASSISTANCE (COBRA SUBSIDY) UNDER THE AMERICAN RESCUE PLAN ACT OF 2021

Q1: How can I tell if I am eligible to receive the COBRA premium assistance?

The American Rescue Plan Act of 2021 (ARP) provides for COBRA premium assistance for “Assistance Eligible Individuals.” An Assistance Eligible Individual is a COBRA qualified beneficiary who meets the following requirements during the period from April 1, 2021 through September 30, 2021:

- Is eligible for COBRA continuation coverage by reason of a qualifying event that is a reduction in hours (such as reduced hours due to change in a business’s hours of operations, a change from full-time to part-time status, taking of a temporary leave of absence, or an individual’s participation in a lawful labor strike, as long as the individual remains an employee at the time that hours are reduced) or an involuntary termination of employment (not including a voluntary termination); and
- Elects COBRA continuation coverage

However, you are not eligible for the premium assistance if you are eligible for other group health coverage, such as through a new employer’s plan or a spouse’s plan (not including excepted benefits, a qualified small employer health reimbursement arrangement (QSEHRA), or a health flexible spending arrangement (FSA)), or if you are eligible for Medicare.

Q2: If I am eligible for the premium assistance, how long will it last?

Your premium assistance can last from April 1, 2021 through September 30, 2021. However, it will end earlier if:

- You become eligible for another group health plan, such as a plan sponsored by a new employer or a spouse’s employer (not including excepted benefits, a QSEHRA, or a health FSA), or you become eligible for Medicare**, or
- You reach the end of your maximum COBRA continuation coverage period.

If you continue your COBRA continuation coverage after the premium assistance period, you may have to pay the full amount of the premium otherwise due. Failure to do so may result in your loss of COBRA continuation coverage. Contact TeamCare for more information.

**Individuals receiving the COBRA premium assistance must notify TeamCare if they become eligible for coverage under another group health plan (not including excepted benefits, a QSEHRA, or a health FSA), or for Medicare. Failure to do so can result in a tax penalty.

Q3: Who is eligible for an additional election opportunity for COBRA continuation coverage?

A qualified beneficiary whose qualifying event was a reduction in hours or an involuntary termination of employment prior to April 1, 2021 and who did not elect COBRA continuation coverage when it was first offered prior to that date or who elected COBRA continuation coverage but is no longer enrolled (for example, an individual who dropped COBRA continuation coverage because he or she was unable to continue paying the premium) may have an additional election opportunity at this time. However, this

additional election opportunity does not extend the period of COBRA continuation coverage beyond the original maximum period.

Q4: Who is entitled to a tax credit for the premium assistance?

TeamCare, A Central States Health Plan, to whom COBRA premiums are payable – not the contributing employer, is entitled to a tax credit for the amount of the premium assistance.

Q5: How do I apply for the premium assistance?

If you may be eligible for the premium assistance, TeamCare will provide you and your beneficiaries with a notice of your eligibility to elect COBRA continuation coverage and to receive the premium assistance. This notice will not come from your employer. The notice will include any forms necessary for enrollment.

Should you desire to request premium assistance prior to receipt of this notice or you believe you are (or may be, upon a COBRA election) an Assistance Eligible Individual and have not received a notice from us, please contact TeamCare through our secure Message Center at myteamcare.org or call 800-TEAMCARE (832-6227).

Q6: When will I be sent a notice regarding the premium assistance?

TeamCare is required to notify qualified beneficiaries regarding the premium assistance and other information about their rights under the ARP, as follows:

- A general notice to all qualified beneficiaries who have a qualifying event that is a reduction in hours or an involuntary termination of employment from April 1, 2021 through September 30, 2021. This notice will accompany the COBRA election notice following a COBRA qualifying event.
- A notice of the extended COBRA election period to any Assistance Eligible Individual (or any individual who would be an Assistance Eligible Individual if a COBRA continuation coverage election were in effect) who had a qualifying event before April 1, 2021, and is still within the maximum COBRA continuation coverage period. This notice will be provided within 60 days following April 1, 2021 (that is, by May 31, 2021).

Q7: How much time do I have to enroll in COBRA continuation coverage with premium assistance?

Assistance Eligible Individuals must elect COBRA continuation coverage within 60 days of receipt of the relevant notice or forfeit their right to elect COBRA continuation coverage with premium assistance.

Q8: I am an Assistance Eligible Individual who has been enrolled in COBRA continuation coverage since December 2020. Will I receive a refund of the premiums that I have already paid?

No. The COBRA premium assistance provisions in the ARP apply only to premiums for coverage periods from April 1, 2021 through September 30, 2021. If you were eligible for premium assistance, but paid in full for periods of COBRA continuation coverage beginning on or after April 1, 2021 through September 30, 2021, you should contact TeamCare to discuss a credit against future payments (or a refund in certain circumstances).