



Volume 5, Issue 15

Department of Labor Extends HIPAA, COBRA, Other Timeframes Applicable to Group Health Plans in Response to the COVID-19 Outbreak

The Department of Labor and the IRS have issued a final rule that extends certain time frames affecting participants' rights to health care coverage, portability, and continuation of group health plan coverage under COBRA, and extends the time for plan participants to file or perfect benefit claims or appeals of denied claims. The agencies have issued the notice and a set of frequently-asked-questions (FAQs) to help employee benefit plans, plan participants and beneficiaries, employers and other plan sponsors, plan fiduciaries, and other service providers impacted by the COVID-19 pandemic.

According to the DOL, these extensions provide participants and beneficiaries of employee benefit plans additional time to make important health coverage and other decisions affecting their benefits in light of the National Emergency. The final rule is posted and is scheduled to be published in the May 4, 2020, Federal Register. The agencies also note that they will continue to monitor the effects of the COVID-19 outbreak and may provide additional relief as warranted.

"Outbreak period." The extension of the various timeframes apply with respect to the period from March 1, 2020, until 60 days after the announced end of the National Emergency period, or a later date that will be announced in separate guidance. The final rule refers to this as the "outbreak period." In the final rule, the agencies use April 30, 2020, as the assumed end date of the National Emergency in several examples (making June 29, 2020, the end of the outbreak period). Note that the final rule indicates that this date was used to make the examples clear, and it is understood that the end date of the National Emergency will be later than April 30.

HIPAA. Under the Health Insurance Portability and Accountability Act (HIPAA), employees have a 30-day special enrollment period to request enrollment in a group health plan following the loss of eligibility for group health coverage, individual health coverage, or the acquisition of a new spouse or dependent by marriage, birth, or adoption. In addition, employees have a 60-day special enrollment period to request enrollment after losing Medicaid or Children's Health Insurance Program (CHIP) eligibility, or if the employee becomes eligible for state premium assistance subsidy under Medicaid/CHIP.

Under the final rule, the 30-day and 60-day HIPAA special enrollment timeframes are disregarded during the outbreak period. For example, if an employee has a baby and would like to enroll in group health coverage, the standard 30-day special enrollment period is extended by disregarding the outbreak period. If the National Emergency ended on April 30, 2020, the employee would have until July 29, 2020 (30 days after June 29, 2020) to enroll her and her child in coverage.

COBRA. Under COBRA, employees and dependents who lose coverage as a result of a qualifying event have 60 days to elect COBRA coverage. The final rule extends the 60-day COBRA election period by disregarding the outbreak period. If an employee lost group health plan coverage and received a COBRA election notice on April 1, 2020, and if the National Emergency ended on April 30, 2020, the employee would have until August 28, 2020 (60 days after June 29, 2020) to elect COBRA.

In addition, qualified COBRA beneficiaries have 45 days from the COBRA election to make the first premium payment, and monthly payments must be made by the end of the 30-day grace period that starts at the beginning of each coverage month. Under the final rule, the 45-day initial premium payment and 30-day grace period for subsequent premium payment timeframes are disregarded during the outbreak period. In the example provided, the qualified COBRA beneficiary fails to make timely COBRA payments for March, April, May, and June. Because the 30-day payment grace period is disregarded during the outbreak period, the COBRA beneficiary has until July 29, 2020 (assuming the National Emergency ended on April 30, 2020) to make the COBRA premium payment for March, April, May, and June. However, if the beneficiary makes only two months of payments by July 29, 2020, those premiums would apply for March and April and the individual would not have COBRA coverage for any month after April 2020.

COBRA election notice. Employers must provide a COBRA election notice to individuals who experience a qualifying even within 44 days from the loss of coverage. The final rule extends this deadline by disregarding the outbreak period. For example, if an employee loses coverage as of April 1, 2020, and the National Emergency ended on April 30, 2020, the plan will have until August 12, 2020 (44 days after June 29, 2020) to provide the COBRA election notice.

Benefit claims. The final rule extends group health plans' deadlines to file a benefit claim under the plans' claims procedures by disregarding the outbreak period. If a group health plan requires that benefit claims be submitted within 365 days of the date of service and the National Emergency ended on April 30, 2020, the employee's last day to file a benefit claim is June 29, 2021 (365 days after the end of the outbreak period).

Benefit appeal deadlines. There are specific deadlines required for group plans for appeals under ERISA. Two of these deadlines are the 180-day timeframe to appeal an adverse benefit determination under a group health plan or disability plan, and a 60-day timeframe to appeal an adverse benefit determination under any other type of plan. These timeframes are extended by disregarding the outbreak period under the final rule. For example, if an employee received a notification of an adverse benefit determination on January 28, 2020, and the National Emergency ended on April 30, 2020, the last day for the employee to submit an appeal is November 24, 2020 (148 days after June 29, 2020).

FAQs. The Departments also issued a set of FAQs on health benefit and retirement benefit issues to help employee benefit plan participants and beneficiaries, plan sponsors, and employers impacted by the coronavirus outbreak understand their rights and responsibilities under ERISA.

For more information on the FAQs, see: <https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/covid-19.pdf>

Source: <https://www.federalregister.gov/documents/2020/05/04/2020-09399/extension-of-certain-timeframes-for-employee-benefit-plans-participants-and-beneficiaries-affected>

This information is no way intended to be legal or financial advice. Please consult with your legal or accounting firm.

[Website](#) [About](#) [Products & Services](#) [Contact](#)



SecureOne Benefit Administrators, Inc. | 678 Front Ave NW, Suite 420, Grand Rapids, MI 49504

[Unsubscribe {recipient's email}](#)

[Update Profile](#) | [About our service provider](#)

Sent by goskoh@secureoneinc.com powered by



Try email marketing for free today!