

For brokers and producers only

Date: July 26, 2021

Market: **All (Except Medicare)**

COBRA Expanded Under American Rescue Plan

In addition to the expansion of premium subsidy eligibility, the American Rescue Plan Act of 2021 includes a 100% subsidy for COBRA continuation coverage premiums if one of the following criteria is met:

- Lost coverage due to an involuntary job loss
- Lost coverage due to a reduction in hours of work

If eligibility is met, COBRA continuation coverage premiums will be fully paid from April 1 through September 30, 2021 for an employee or dependent who is a COBRA qualified beneficiary.

State Continuation Coverage/Mini COBRA

CareFirst has made a business decision to fund the State Continuation Coverage/Mini COBRA subsidy and reimbursement. For accounts with 20 or fewer employees who have elected CareFirst as their COBRA administrator, CareFirst will send out appropriate notices and work with employers to identify individuals who qualify for COBRA continuation coverage. Third-party continuation administrators are expected to verify eligibility for State Continuation Coverage COBRA subsidy as defined by the American Rescue Plan of 2021. Enrollment should be submitted to CareFirst at sammadae@carefirst.com. Submissions should include the group name, a list of enrollees, the continuation effective date and their attestation documentation.

Federal COBRA

In cases where CareFirst or CareFirst Administrators acts as the COBRA administrator, CareFirst sent out the appropriate notices and will continue to work with employers to identify qualified individuals. Employers are responsible for paying the federal COBRA payments on behalf of the COBRA members. The employers will claim the COBRA subsidy amount as a credit against their employment taxes.

Timeline to Enroll

To elect continuation coverage, employees must actively enroll within 60 days from the date notice is sent using the application included with their notice. Failure to enroll within 60 days will result in ineligibility for the premium subsidy under the American Rescue Plan.

Additional resources

[COBRA Premium Subsidy | U.S. Department of Labor \(dol.gov\)](#)

[COBRA Premium Assistance under the ARP Act of 2021 FAQs](#)

[General COBRA FAQs for Workers](#)

For more information

If you have any questions, please contact your broker sales representative.

