

BROKER BLAST

June 2021

American Rescue Plan information for Kaiser Permanente COBRA

The recent American Rescue Plan Act of 2021 (ARP) includes new COBRA continuation coverage election, notice, and premium assistance requirements that may affect your clients' COBRA administration. The premium assistance will be 100% of the total cost of federal COBRA or state continuation health coverage and will be available for eligible individuals starting April 1, 2021 through September 30, 2021. To facilitate the new ARP requirements, there are certain actions for your clients and Kaiser Permanente to take based on how federal COBRA or state continuation health coverage is currently billed.

Kaiser Permanente billed federal COBRA

Kaiser Permanente bills members directly for federal COBRA health coverage.

Employer responsibilities

For an employer's federal COBRA population, they are responsible for:

1. Sending required [ARP notices](#) to their employees
2. Informing Kaiser Permanente of assistance eligible individuals (AEIs) by filling out the [supplemental reporting template](#) on account.kp.org
3. Paying COBRA premiums to Kaiser Permanente for AEIs based on bills received
4. Claiming the payroll tax credit

Kaiser Permanente responsibilities

For an employer's federal COBRA population, once Kaiser Permanente

receives the supplemental reporting template from the employer, Kaiser Permanente will:

1. Transfer AEIs from direct billed to group billed
 2. Issue refunds directly to AEIs if they have already paid COBRA premiums for coverage between April 1, 2021 and September 30, 2021
 3. Bill the employer retroactively for AEIs for coverage beginning on or after April 1, 2021
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Group billed mini-COBRA

The employer has less than 20 employees and is subject to state continuation coverage that the employer administers.

Employer responsibilities

The employer is responsible for:

1. Sending required [ARP notices](#) to their employees
2. Informing Kaiser Permanente of assistance eligible individuals (AEIs) by filling out the [supplemental reporting template](#) on account.kp.org
3. Notifying Kaiser Permanente if an AEI has a change in eligibility

Kaiser Permanente responsibilities

Once the supplemental reporting template has been received, Kaiser Permanente will:

1. Issue a reference only invoice for AEIs under the group bill name “ARP Members Do Not Pay”
 2. Issue refunds to the employer for AEIs if COBRA premiums were paid for coverage beginning April 1, 2021
 3. Claim the payroll tax credit for state continuation AEIs
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Helpful resources

Guidance and notices from the Department of Labor and Internal Revenue Service:

- [COBRA premium assistance under ARP FAQs](#)
- [Model notice guidance for COBRA as required by ARP](#)
- [Model COBRA Continuation Coverage Notices](#)

- [Premium Assistance Guidance Notice 2021-31](#)

Please have your clients contact their tax accountant or attorney for more information about ARP requirements. If you have questions about Kaiser Permanente's approach, please contact your Sales Executive or Account Management Representative or visit account.kp.org.