

COBRA, THE AMERICAN RESCUE PLAN ACT OF 2021, AND YOU

OVERVIEW

The American Rescue Plan Act of 2021 (ARPA) contains an important provision which, under certain circumstances, provides that eligible individuals will not have to pay for COBRA during April 1, 2021, through September 30, 2021. It is expected that the regulatory agencies will issue guidance regarding how these rules will work. This Q&A is a general description based on our current understanding, but it may be updated after agency guidance is released.

What is COBRA?

COBRA stands for Consolidated Omnibus Budget Reconciliation Act of 1985. It's a federal law that gives individuals who lose their health coverage due to a Qualifying Event, such as job loss or hours reduction, the option to continue their coverage for a limited amount of time. For the Writers' Guild-Industry Health Plan, this includes Participants and covered dependents who lose earned coverage because the Participant did not meet the earnings requirement.

How long does COBRA coverage last?

The maximum period of COBRA coverage is generally 18 months when the loss of coverage is due to a job loss or hours reduction.

What is the American Rescue Plan COBRA subsidy and how does it work?

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (ARPA) into law. This law includes a six-month COBRA subsidy, which gives eligible workers and their family members who lose (or have lost) employer-based health coverage due to a reduction in hours or involuntary job loss, access to COBRA coverage at no cost from April 1, 2021 through September 30, 2021. The subsidy is not available if the employee voluntarily terminates employment.

The new COBRA subsidy is available for periods of COBRA coverage starting April 1, 2021 and ending September 30, 2021. However, it will end earlier if your maximum period of COBRA coverage (generally, 18 months) ends earlier than September 30, 2021. It will also end earlier if you become **eligible** for coverage under another group health plan or Medicare – regardless of whether you actually enroll in the other group health coverage or Medicare.

(Please Note: If you become eligible for another group health plan or Medicare, you must notify the Plan immediately.)

Do I get different COBRA coverage if I apply for the COBRA subsidy?

The benefits covered under the COBRA subsidy are the same as those covered under regular, non-subsidized COBRA.

Who is eligible?

To be eligible for the COBRA subsidy, you must be an “**Assistance Eligible Individual.**” To be an Assistance Eligible Individual, you are:

- A Participant who lost coverage under the Health Plan during the period November, 2019 through September 30, 2021, as a direct result of being involuntarily terminated or having had your hours reduced, or
- A covered dependent of a Participant described in the above bullet, who was covered by the Health Plan immediately before the Participant lost coverage.

If you are not described in either of the above bullets, you are **not** an Assistance Eligible Individual and you are **not** eligible for the COBRA subsidy.

When is the COBRA subsidy available?

Assistance Eligible Individuals who had a loss of coverage under the Health Plan on or after November 2019 and before September 30, 2021, as a direct result of the Participant’s involuntary termination of employment or reduction in hours, may be eligible for the COBRA subsidy during the period from April 1, 2021, through September 30, 2021, as follows:

- If you are currently enrolled in COBRA coverage, you may be eligible for the COBRA subsidy for up to six months, depending on how many months of your 18 months of total available COBRA coverage remain as of April 1, 2021.
- If you became eligible to elect COBRA at any point during the period from November, 2019 until April 1, 2021, and you did not elect COBRA coverage, or, you elected COBRA and you subsequently dropped it, you may be eligible to elect COBRA and receive the COBRA subsidy for up to six months, for the period from April 1, 2021 through September 30, 2021, depending on how many months of your 18 months of total available COBRA coverage remain at the time of COBRA enrollment.
- If you first become eligible to elect COBRA on or after April 1, 2021, you may be eligible for the COBRA subsidy for up to six months, for the period from April 1, 2021 through September 30, 2021, depending on how many months of the COBRA subsidy period remain at the time of your COBRA enrollment.

Important: If you are an Assistance Eligible Individual and you are or become eligible for other group health coverage or Medicare during the COBRA subsidy period, you are not eligible for the subsidy on or after the first of the month that you become eligible.

What forms need to be signed to receive the COBRA subsidy?

If you are an Assistance Eligible Individual, to receive the COBRA subsidy, the following rules apply:

- You will be required to sign a form attesting to the fact that you had a loss of coverage under the Health Plan as a direct result of your (or, for a Dependent, the Participant's) involuntary termination of employment or reduction of hours.
- You will also be required to sign a form attesting to the fact that you are not eligible for either other group coverage or Medicare.

What is the duration of the COBRA subsidy under this program?

The COBRA subsidy is available for COBRA coverage during the period of April 1, 2021 through September 30, 2021. Your eligibility for the COBRA subsidy may end earlier, as explained below under “How long does the COBRA subsidy last?”

How do I know if I am eligible for the COBRA subsidy?

The Health Fund will notify Assistance Eligible Individuals of their eligibility within 60 days from April 1, 2021. If you think you are eligible for the COBRA subsidy described in this Q&A, and you don't receive a notice from the Health Fund, you should contact the Eligibility Department at: (818) 846-1015, press #1, then press #2.

If I qualify for the COBRA subsidy, do I have to use all six months or can I choose some smaller portion of time?

You are not required to use all six months.

Do those losing coverage because of an involuntary termination of employment or reduction of hours as of July 1, 2021 become eligible for free COBRA for July 1, 2021-Sept 30, 2021?

Yes.

If I have already paid for COBRA for the period from April 1, 2021 through September 30, 2021, will the Health Plan reimburse me?

Yes. ARPA requires the Health Fund to reimburse monies paid for COBRA health coverage during the subsidy period within 60 days of when the premium was paid to the Plan.

Are dependent premiums required?

No.

How long does the COBRA subsidy last?

The subsidy is available for COBRA coverage for up to six months – from April 1, 2021, through September 30, 2021. Your eligibility for the subsidy will end earlier if your

maximum period of COBRA coverage (generally, 18 months) ends earlier than September 30, 2021. It will also end earlier if you become eligible for coverage under another group health plan or Medicare – even if you do not enroll in that other group health plan or Medicare. You are required to notify the Health Plan if you become eligible for such coverage and would be subject to penalty if you fail to do so.

What happens at the end of the COBRA subsidy period?

You will receive a notice with additional information from the Health Plan before the COBRA subsidy period expires. If you are still eligible for COBRA after the COBRA subsidy period ends, you can pay the full cost of COBRA to continue the coverage. Alternatively, you can enroll in health coverage through the Affordable Care Act (ACA) Marketplace. For information, visit www.healthcare.gov.

Note: You have until August 15, 2021 to sign up for an ACA-compliant health plan. ARPA increases subsidies for these plans, which may reduce costs for some people who enroll in them.

Note: The ARPA subsidy period does not extend the maximum period of COBRA coverage to which you are entitled.

If I turn 65 during this window, can I keep the free COBRA vs. Medicare if I am not receiving earned coverage?

No. When you become eligible for Medicare, you will no longer be eligible for the COBRA subsidy program.

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We hope this America Rescue Plan Act COBRA guide provides you the information you need. If you have any questions or concerns, please contact the Eligibility Department at: (818) 846-1015, press #1, then press #2 (or toll-free (800) 227-7863) or via email at: Emailbox@wgaplans.org and we will be happy to assist you.