



— MYRIAD WITH YOU: — COBRA IN TIMES OF COVID

AUGUST 2020

The SARS-CoV-2 virus is the cause of COVID-19, a disease that is easily transmitted between people and is characterized by severe respiratory distress. As a consequence of its worldwide spread, in March the World Health Organization declared a pandemic.

The Bureau of Labor Statistics of the federal Department of Labor reported that in March the unemployment rate increased to 4.4%; in the month of May, the unemployment rate reached 13.3%. These figures reveal a substantial change in jobs.

As a result of this national emergency, employers and employees have difficulty complying with the procedures related to COBRA within the regulatory terms. In response, the federal Department of Labor temporarily extended the terms affecting the selection, portability and continuity of group health plan coverage under COBRA, as well as the terms for filing a claim or appealing a denied claim.

Under the new rule, these terms were extended for sixty (60) days from the end of the Outbreak Period; that is, from the declaration of a national emergency on March 1, 2020 until sixty (60) days after the expiration of the national emergency or at a later date, if so determined. For example, if we were to expire the declaration of national emergency on April 30, 2020, then the Outbreak Period would have ended on June 29, 2020 and the sixty (60) day extension would end on August 28, 2020 or on a future date, if ordered by the federal government. It should be noted that even though the final date of the national emergency has not been announced, we must remain attentive to the following terms:

NOTIFICATION PERIOD:

The period for providing COBRA election notice will not be taken in consideration during the Outbreak Period. The deadline for the employer or plan administrator to provide the notice to a qualified beneficiary will be ended after the Outbreak Period ends; however, every effort should be made to provide notice within the original time frame or as soon as possible, due to the fiduciary duty of act in the best interest of the participants.

CLAIMS SUBMISSION PERIOD:

The period for urging claims for benefits, or appeals for denied claims, will not be considered during the Outbreak Period and will be resumed after the Outbreak Period ends.

ELECTION PERIOD:

The term of at least sixty (60) days for qualified beneficiaries to choose a plan will not be considered during the Outbreak Period. The election period will end up to sixty (60) days after the Outbreak Period has elapsed.

GRACE PERIOD FOR PAYMENTS:

The term of forty-five (45) days to make the initial payment will not be taken into consideration during the Outbreak Period. The initial premium will expire until forty-five (45) days after the end of the Outbreak Period. For its part, the thirty (30) day term for subsequent premium payments will expire thirty (30) days after the Outbreak Period.

HIPAA SPECIAL ENROLLMENT PERIOD:

The term for requesting changes in the mid-year election will not be considered and will expire until thirty (30) days after the Outbreak Period.

OTHER PERIODS:

The sixty (60) day term for a participant to report a qualifying event or an impairment determination will not be considered and will expire after the Outbreak Period ends.