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## Broker Briefing

On March 11, 2021, the American Rescue Plan Act (ARPA) of 2021 was signed into law by President Biden

Among other provisions, ARPA includes 100% COBRA/CCOC subsidy for up to six months for individuals who lost health coverage because of involuntary termination or reduction in hours as a result of the pandemic on or after November, 2019.

Starting April 1, 2021 through September 30, 2021, former or current employees impacted by loss of health coverage can elect to enroll in COBRA/CCOC with 100% subsidization of premium, including the 2% administrative fee for COBRA. Employers are required to provide notice to impacted employees about the availability of subsidized COBRA/CCOC premium during the temporary subsidization period.

### Timeline:

- Employers will need to send a notice to eligible individuals within 60 days after April 1, 2021, which is May 30, 2021
- Upon receipt of the notice, eligible individuals will have a 60-day enrollment opportunity
- Last date to elect COBRA/CCOC: July 31, 2021 (if individual is still within their coverage period)

- Coverage would be retrospective to April 1, 2021 without needing to elect and pay retroactive to the date coverage was lost or discontinued.

**Rocky Mountain Health Plans (RMHP) is here to help employers meet their obligation of notifying impacted current and/or former employees.**

[A letter](#) will be sent this week to all RMHP employers who have notified RMHP of employee health plan discontinuations. Employers will be required to review the list of employees we have on record for accuracy and include any/all employees whose loss of coverage was due to involuntary termination or reduction in hours.

RMHP will send notification to impacted employees who are eligible for the 100% COBRA/CCOC subsidy with their continuation of coverage election rights in May, 2021 for employer groups currently enrolled.

RMHP will also provide the required second notice to employees electing COBRA/CCOC when their COBRA/CCOC coverage is due to expire if the employer is still enrolled with RMHP.

### **EMPLOYER OBLIGATION - COBRA**

During the temporary COBRA subsidization period, employers are responsible for payment of COBRA premiums, including the 2% administrative fee for impacted employees. RMHP will bill employers directly for impacted employees who elect COBRA coverage during this temporary subsidization period.

Employers will receive a tax credit for this cost and guidance on how to file for direct payment are forthcoming from the IRS and Department of Labor.

### **HEALTH PLAN OBLIGATION - CCOC**

Rocky Mountain Health Plans will be responsible for the payment of CCOC premiums for all impacted employees.

For more information regarding the COBRA/CCOC subsidy, please review this [SHRM article](#) with more details and reference.

**RMHP is here to support you.** Please contact your RMHP Group Management Team at [800-453-2981](tel:800-453-2981) Option 1, with any questions or email us at [group\\_management\\_team@rmhp.org](mailto:group_management_team@rmhp.org)

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