



# American Rescue Plan Act of 2021: COBRA Premium Assistance Program

## QUICK REFERENCE GUIDE

### ABOUT THE ARPA OF 2021

100% premium assistance for qualified individuals for coverage under COBRA for a period of time beginning on or after April 1, 2021 through September 30, 2021

- Allows assistance eligible individuals (AEI) to forego paying applicable COBRA coverage premiums
- Employers will be able to claim tax credits to offset the amounts of unpaid COBRA premiums



### ELIGIBILITY

Anyone who, due to an involuntary termination of employment or reduction in hours, becomes eligible for or already has effective COBRA continuation coverage during the period that begins April 1, 2021 and ends September 30, 2021.

### Important to note

- Qualified beneficiaries whose COBRA coverage started as long ago as November 2019 could qualify for premium assistance
- COBRA premium assistance is available for individuals who were eligible to elect COBRA but who had not elected as of April 1, 2021 OR who had elected such coverage but discontinued it prior to April 1, 2021
- ARPA excludes premium assistance from individuals whose termination is voluntary



### NOTICE REQUIREMENTS

ARPA requires plan administrators to notify potential AEI who become eligible for COBRA between April 1, 2021 and September 30, 2021 that COBRA premium assistance is available.



Templates are available on the [Department of Labor](#) website in the [Model Notices](#) section



### PREMIUM ASSISTANCE EXPIRATION

Individuals will cease to be eligible for COBRA premium assistance for any period of coverage that begins on or after the earlier of the date they become eligible for either other group health coverage or Medicare.



### TAX CREDITS

- Tax credits will equal the COBRA premiums not paid by eligible individuals
- The Treasury Department will provide further guidance, including necessary forms and instructions for seeking advance credits, regarding the mechanics of receiving available tax credits



## What to expect from Humana



**COBRA:** Humana will bill the Employer Group for the COBRA premium



**STATE CONTINUATION (mini-COBRA):** Humana will NOT bill the Employer Group

- **New State Continuation (mini-COBRA) packets** will not be sent out for previously termed members, who did not elect State Continuation coverage at the time of their termination
- **Existing State Continuation members**, or new members effective on or after April 1, 2021, will receive a communication from Humana's Billing department, outlining the premium subsidy and how it will be applied to their account
- See [Humana's FAQ document](#) for more details



**EXPECT FORTHCOMING DOL AND IRS GUIDANCE** regarding premium assistance eligibility, newly required notices and claiming available tax credits.

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