

ARPA COBRA Subsidy - Update from ABG 5/10/2021

KEY TAKAWAYS:

- Sample Letters are available now and linked in this communication
- Notices will begin being processed 5/14/2021; notices that have been mailed will be reflected on the Generated Letter Detail Report
- AEI statuses should continue to be updated on all future QBs until further notice
- Invoicing for ARPA QBs/Notices is expected to begin in June
- Employers with an ACH banking agreement with ABG should be sure to alert your bank to allow drafts from our company ID 9165530001.

What is the overall process?

- Employers update AEI status in ABG COBRA Portal for existing QBs
 - o ABG sends required ARPA Notices for those in look-back period
- Employers continue to process new qualifying events in the COBRA Portal
 - o ABG sends Specific Rights Notices including new ARPA language and inserts
- QBs enroll in subsidy via ABG
 - o 2nd Election Form required for those in lookback period
 - o Attestation required for employers who opted to include it
 - o Those already enrolled under COBRA, with no attestation required are automatically enrolled
- Reinstatements generated for those previously not enrolled
 - o These will generate the business day after the subsidy is applied and any attestation or election is processed.
- ABG deducts 2% for any subsidized premiums via the monthly remittance
- ABG invoices for ARPA Notices sent during the prior month
- ABG sends subsidy expiration notice prior to end of subsidy or last day of COBRA

What are the different notices?

Click on the notice below to download a sample:

- [AEI 2021 SUBSIDY ELIGIBLE NOTICE – with second election](#) – This will be sent to all QBs who are marked as AEI Eligible whose first day of COBRA is before 4/1/2021
 - o [AEI 2021 SECOND ELECTION FORM INSERT](#) – Election Form for those able to rejoin COBRA on the subsidy
- [AEI 2021 SUBSIDY ELIGIBLE NOTICE – without second election](#) – This will be sent to any QBs with a first day of COBRA 4/1/2021 or later
- [AEI 2021 GENERAL NOTIFICATION INSERT](#) – will be included with all Specific Rights Notices for any QBs added to the system after 5/13/2021.
 - o This will be sent regardless of AEI 2021 Status
 - o This will not be sent to QBs with dependent qualifying events
- [AEI 2021 ATTESTATION INSERT](#) – This will be included only if you have completed and returned the Attestation Request Form. If so, this will be included with the subsidy eligible notice, or general notice listed above
- [AEI 2021 SUBSIDY EXPIRATION NOTICE](#) – This notice will be sent 30 days before the ARPA subsidy ends or before their last day of COBRA, whichever is earliest.
- [AEI 2021 SUBSIDY DENIAL NOTICE](#) – This will only be sent in the event someone's AEI status is changed from Eligible to Ineligible or from Eligible to Unknown. (If a QB status was changed from Unknown to Ineligible, or Ineligible to Unknown, nothing would be sent)

Can we customize these communications?

- No customizations can be made at this time.

Who will receive these communications?

The following applies for QBs currently in the ABG COBRA Portal:

- QBs with an AEI status as “Unknown” or “Ineligible” will not receive any Notices.
- QBs with an AEI Status marked as “Eligible” will receive the various Notices outlined above, depending on their current COBRA status.

Current ABG COBRA Status	First Day of COBRA	Letter(s)
Terminated	before 4/1/2021	Subsidy Eligible Notice w/2 nd Election; Attestation*
Pending	before 4/1/2021	Subsidy Eligible Notice w/2 nd Election; Attestation*
Pending	4/1/2021 or later	Subsidy Eligible Notice w/out 2 nd Election; Attestation*
Enrolled	4/1/2021 or later	Subsidy Eligible Notice w/out 2 nd Election; Attestation*

***Attestation is only applicable if the Employer has opted to require Attestation**

Any new QBs added to the portal after 5/13/2021 will be sent the following regardless of AEI status:

- o COBRA Specific Rights Notice w/ARPA Verbiage
- o General Notification Insert
- o Attestation Insert*

We did not update all of our AEIs by 5/7. Can we still update them now?

- Yes, AEI statuses can continue be updated; however, we cannot guarantee that notices will be mailed by 5/31 for those updated after 5/7.

If we update the AEI status for a QB in the lookback period after 5/13/2021, will the required Notices for the second election period be sent to them?

- Yes; however, we cannot guarantee that Notices for any QBs updated after 5/7/2021 will be mailed by 5/31/2021.

What is the process moving forward for Employers?

- Employers should continue to process new qualifying events in the ABG COBRA Portal as usual, either manually or relying on your file feed.
- Employers should continue to update the AEI status for any new QBs
 - o At a minimum, QBs who are eligible should be updated; however it is also helpful to update those who are ineligible as this enables our Team to more completely answer questions from participants, if we already know their status.
 - o AEIs can be updated by using the same AEI 2021 Utility used for initial updates or updating each record manually.
 - ABG recommends updating new QBs as they are added, or on a weekly basis.
 - The AEI 2021 report can be run, updated, and uploaded multiple times.

Can we update our weekly QB files to include the AEI status now -9/30/2021?

- No, the file specifications have not yet been updated to include this field, but we will communicate if/when that becomes an option. Until then, QBs can continue to be updated manually on their individual record or using the AEI 2021 utility. We recommend using the AEI 2021 utility on a weekly basis to update new QBs.

What is the process moving forward for QBs?

- **The ARPA** subsidy will be applied for eligible individuals on the “subsidy” tab of their account
- Some action may be required depending on the participant’s status and account settings:
 - o **QBs in the lookback period will need to:**
 - Complete and Return the 2nd Election Form w/in 60 days
 - Complete and Return the Attestation (if required)
 - Reinstatement requests will be sent the business day after ARPA the 2nd election form and Attestation are processed
 - o **QBs who are currently active will:**
 - If no attestation is required, no action is required. They will automatically be enrolled in the subsidy
 - If Attestation is required, it must be completed and returned before the subsidy is applied.

What if someone has already paid April or even May’s premium?

- Those premiums will be automatically applied to the next premium due (October, November,)
- If the Member wants to be refunded for that premium, they will be able to request such a refund from our Support Team. Refunds will be processed twice a month.

What if we already have an employer subsidy on the Member’s account, and they are eligible for the ARPA subsidy?

- When the ARPA subsidy is applied (either automatically, or after their election and/or attestation are completed) it will be added on the same subsidy tab as an employer Subsidy.
- **If the employer subsidy overlaps with the ARPA subsidy (4/1-9/30) the system will remove the employer subsidy as follows:**
 - o If the employer subsidy starts **prior** to 4/1/2021, this subsidy will be ended 3/31/2021, and replaced by the ARPA subsidy.
 - o If the employer subsidy starts **after** 4/1/2021, this subsidy will be removed and replaced by the ARPA subsidy.
- The system will not automatically add back any removed employer subsidies; however, this will be tracked within the system.
 - o ABG will be able to identify subsidies that are removed, and provide reports on these towards the end of the ARPA subsidy period, in case the Employer wishes to add it back. More information surrounding this process will be available, likely in August or September.

How will we know if someone enrolled in the subsidy?

- If you or your broker handle your COBRA eligibility changes, these will continue to be sent to you as usual. The notification will include an additional field to identify a participants AEI 2021 status
- The monthly remittance report will specify whether a QB was enrolled via the ARPA Subsidy. This will be visible to all employers

When should we expect to be billed?

- At this time we anticipate invoicing for ARPA Notices to begin in June, after the majority of the Notices have been mailed this month.
- Some employers may begin to see the 2% administration fee deducted from their remittance as soon as the June 2021 Remittance which will be processed on 6/10/2021.
- **As a reminder regarding the remittance and the 2%**
 - o The subsidy includes the 102% premium normally charged under COBRA.
 - o The 2% administration fee will still be collected and retained by ABG.
 - o The 2% administration fee will be deducted from the monthly remittance.

- **In the event that the monthly premium remittance for collected billed COBRA premiums is less than the 2% ABG COBRA billing fee for the subsidized COBRA premiums, ABG will debit the remaining billing administration fee from the client's designated bank account per the terms of the administrative service agreement. Please be sure to alert your bank to allow drafts from our company ID 9165530001.**
- If the client does not have an ACH banking agreement in place and ABG sends the monthly premium remittance via check, any insufficient funds to cover the monthly 2% premium billing administration fee for subsidized COBRA premiums will be invoiced with the regular monthly COBRA administrative service fee

What's next?

- Our upcoming communications will focus on the Member's experience enrolling in the subsidy and working with our support team.
- We continue to work closely with our vendor to advocate for solutions that make this process as easy as possible for our Employers. We will keep everyone updated as additional information and functionality becomes available.
- As letters are mailed, we will provide whatever updates we can on this process so you can monitor your population.
- If any additional guidance is received, we will communicate that as soon as we are informed.

LINKS TO PREVIOUS COMMUNICATIONS:

- ABG ARPA Announcement - http://mycobraresource.com/cobra_documents/ABG_ARPA_Announcement.pdf
- 3/29/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_MARCH_2021.pdf
- 4/5/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_04052021.pdf
- 4/7/2021 Update (Model Notices) - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_04072021.pdf
- 4/19/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_04192021.pdf
- 4/22/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_04222021.pdf
- 5/6/2021 Update - http://mycobraresource.com/cobra_documents/ARPA_UPDATE_05062021.pdf
- FAQ - http://mycobraresource.com/cobra_documents/ABG_ARPA_COBRA_SUBSIDY_FAQ.pdf