



COBRA Overview and QSEHRA Assistance



*Consolidated Omnibus Budget
Reconciliation Act (COBRA) Overview
and
Qualified Small Employer Health
Reimbursement Arrangements
(QSEHRA) Assistance*

February 1, 2018

*Centers for Medicare & Medicaid
Services (CMS)
Center for Consumer Information
& Insurance Oversight (CCIIO)*

Disclaimer

The information provided in this presentation is intended only as a general informal summary of technical legal standards. It is not intended to take the place of the statutes, regulations, and formal policy guidance that it is based upon. This presentation summarizes current policy and operations as of the date it was presented. Links to certain source documents have been provided for your reference. We encourage audience members to refer to the applicable statutes, regulations, and other interpretive materials for complete and current information about the requirements that apply to them.

This document generally is not intended for use in the State-based Marketplaces (SBMs) that do not use HealthCare.gov for eligibility and enrollment. Please review the guidance on our Agents and Brokers Resources webpage (<http://go.cms.gov/CCIIOAB>) and Marketplace.CMS.gov to learn more.

Unless indicated otherwise, the general references to “Marketplace” in the presentation only includes Federally-facilitated Marketplaces (FFMs) and State-based Marketplaces on the Federal Platform (SBM-FPs).

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Webinar Agenda

- Overview of the Consolidated Omnibus Budget Reconciliation Act (COBRA)
- How COBRA affects eligibility for Marketplace coverage and financial assistance
- Assisting Consumers with Qualified Small Employer Health Reimbursement Arrangements (QSEHRA)
- Other Marketplace Updates
- Questions and Answers

COBRA Overview and QSEHRA Assistance



COBRA

*Overview of
COBRA*

What is COBRA?

- The law requires certain group health plans to provide a temporary continuation of group health coverage that otherwise might be terminated.
- COBRA is only available when coverage is lost due to certain specific events.
- Employers decide whether or not they will contribute to their employee's premiums under COBRA.
- Consumers may be responsible for the entire monthly premium by themselves, plus a 2% administrative fee. As a result, group health coverage for COBRA participants is usually more expensive than health coverage for active employees.
- The full premium for COBRA participants cannot exceed 102 percent of the cost of the plan for similarly situated individuals who have not incurred a qualifying event.

Who Qualifies for COBRA?

- COBRA contains provisions giving certain former employees, retirees, spouses, former spouses, and dependent children the right to temporarily continue coverage under the employer's group health plan.
- If your client's employer is required to comply with COBRA, then your client is eligible for COBRA after just having one day of coverage as an active member on the group health plan.
- In combination with whether your client's employer is subject to COBRA, a COBRA "qualifying event" is what triggers a client's ability to exercise his or her COBRA rights.

COBRA Qualifying Events

- Death of the current employee
- An employee loses eligibility due to voluntary or involuntary termination or a reduction in hours as a result of resignation, discharge (except for "gross misconduct"), layoff, strike or lockout, medical leave, or slowdown in business operations
- An employee becomes entitled to Medicare and this results in a loss of plan coverage for the employee's dependents
- Divorce or legal separation that terminates the ex-spouse's eligibility for benefits
- A dependent child reaching the age at which he or she is no longer eligible for active coverage under the group plan (generally age 26)

How Long Can a Consumer Stay on COBRA?

- Consumers who experience a COBRA qualifying event can stay on the plan for a certain period of time, which varies depending on the situation.
- In most cases COBRA allows for extended coverage for **up to 18 months**.

COBRA Extension	Description
Disability	<ul style="list-style-type: none">• If the COBRA participant is deemed disabled by the Social Security Administration, then coverage may continue for up to an additional 11 months.• Total length of COBRA coverage is 29 months.
Divorce or Death	<ul style="list-style-type: none">• A COBRA participant who experiences a divorce or death qualifying event is eligible for an 18-month extension.• Total length of COBRA coverage is 36 months.
Medicare Eligibility (Special Rule for Dependents)	<ul style="list-style-type: none">• If a covered employee becomes entitled to Medicare benefits (Part A or Part B) and later terminates employment or reduces hours, the period of COBRA coverage for the employee's spouse and dependent children lasts until the later of the 36-month period that begins on the date the covered employee became entitled to Medicare, or the 18- or 29-month period that begins on the date of the covered employee's termination of employment.
Second Qualifying Event	<ul style="list-style-type: none">• A spouse and dependent children who already have COBRA coverage, and then experience a second qualifying event, may be entitled to a total of 36 months of COBRA coverage.

Timelines to Apply for COBRA Coverage

- Upon experiencing a qualifying event, consumers have 60 days after receiving the election notice to decide whether to enroll in COBRA coverage.
- Consumers who choose to enroll in COBRA coverage have 45 days after making the election to pay the first month's premium.
- COBRA coverage can retroactively begin on the date consumers' job-based insurance ended, as long as the election is made within the 60-day election period for COBRA coverage.



Which Employers Need to Offer COBRA?

- Employers with 20 or more employees are usually required to offer COBRA coverage and to notify their employees of the availability of such coverage.
- COBRA applies to plans sponsored by private-sector employers and sponsored by most state and local governments.
- Many states have COBRA expansion programs (sometimes called “mini-COBRA”) that extend similar coverage options to employees of firms with fewer than 20 employees. Check with your state Department of Insurance to see if this applies in your state.



What Benefits Must be Covered by COBRA?

- Coverage must be identical to that available to similarly situated beneficiaries who are not receiving COBRA coverage under the plan (generally, the same coverage that the qualified beneficiary had immediately before qualifying for continuation coverage).
- A change in the benefits under the plan for the active employees will also apply to qualified beneficiaries.
- Qualified beneficiaries must be allowed to make the same choices given to non-COBRA beneficiaries under the plan, such as during periods of open enrollment by the plan.

COBRA Overview and QSEHRA Assistance

*How COBRA Affects
Eligibility for
Marketplace
Coverage and
Financial Assistance*



COBRA Coverage and Eligibility for Marketplace Coverage

- Many individuals and families may have better and more affordable options in the Marketplace or through their spouse's employer.
- Consumers who are eligible for, but have not elected, COBRA coverage may still qualify for advance payments of the premium tax credit (APTC) or cost-sharing reductions (CSRs) through the Marketplace, if they are otherwise eligible.
- These consumers may be eligible for a special enrollment period (SEP) to enroll in a Marketplace plan if they lost their employer-sponsored coverage within the last 60 days, or will lose such coverage within the next 60 days.
- Direct your clients to the [See Plans and Prices tool](#) at HealthCare.gov to help them compare their COBRA coverage offer with Marketplace options.

HealthCare.gov ESPAÑOL Log in

2018 health insurance plans & prices

Enter your ZIP code

Example: 60647 CONTINUE

Preview 2018 plans & estimated prices before you log in

After you browse plans and estimated prices here, we'll send you to log in or create an account. After you finish your application you'll see final prices and can enroll in the plan you pick here or any other plan.

Things to Consider When Deciding Between COBRA and Marketplace Coverage

- Continuity of coverage
- Access to care/Provider network
- Total cost (e.g., COBRA coverage including premiums, deductibles, and co-insurance)
- Quality of care
- Potential savings in the Marketplace



Can a Consumer Change from COBRA to a Marketplace Plan?

Time Period	Situation		
	If COBRA is running out	If consumer is ending COBRA early	If COBRA costs change because the former employer stops contributions and consumer must pay full cost
During Open Enrollment	Yes, consumer can change	Yes, consumer can change	Yes, consumer can change
Outside Open Enrollment	Yes, consumer can change due to qualifying for an SEP	No, consumer cannot change until the next Open Enrollment period, COBRA runs out, or if consumer qualifies for an SEP another way	Yes, consumer can change due to qualifying for an SEP

Other Key Points to Remember about COBRA Coverage

- COBRA coverage qualifies as minimum essential coverage.
 - If a consumer has COBRA coverage, he or she does not have to pay the individual shared responsibility payment that consumers without coverage may have to pay.
- A consumer is not eligible for APTC or CSRs if he or she is enrolled in COBRA coverage.
- Consumers who voluntarily drop their COBRA coverage are not eligible for an SEP for Marketplace coverage based on loss of minimum essential coverage.
 - These consumers will have to wait until the next Open Enrollment period, the COBRA coverage runs out, or until they qualify for another SEP to enroll in a Marketplace plan.

Resources on COBRA Coverage

- **COBRA Coverage and the Marketplace:**
<https://www.healthcare.gov/unemployed/cobra-coverage/>
- **COBRA Continuation Coverage Questions and Answers:**
https://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/cobra_qna.html
- **COBRA Continuation Health Coverage Frequently Asked Questions:** <https://www.dol.gov/agencies/ebsa/about-ebsa/our-activities/resource-center/faqs/cobra-continuation-health-coverage-compliance>
- **CMS Cobra Fact Sheet Web Site:**
https://www.cms.gov/CCIIO/Programs-and-Initiatives/Other-Insurance-Protections/cobra_fact_sheet.html

COBRA Overview and QSEHRA Assistance

*Assisting
Consumers with
a QSEHRA*



What is a QSEHRA?

- Small employers that choose not to offer their employees group health plan coverage can instead choose to reimburse a portion of their employees' medical care costs through a QSEHRA.
- A QSEHRA is generally not considered a group health plan and is not considered an offer of employer-sponsored coverage.
- Employees can use this money to help pay the cost of their medical expenses, including some or all of their Individual Marketplace premium payments.
- An employer may not offer a group health plan to some employees and contribute to a QSEHRA for other employees.
- In order to receive a QSEHRA payment, employees must be enrolled in health coverage that is minimum essential coverage.

Q Qualified

S Small

E Employer

H Health

R Reimbursement

A Arrangement

How does a QSEHRA Impact Eligibility for Marketplace Financial Assistance?

The screenshot shows the HealthCare.gov website. At the top, there is a navigation bar with links for 'Get Coverage', 'Keep or Update Your Plan', 'See Topics -', and 'Get Answers'. Below this, the main heading is 'What's a QSEHRA?'. The text explains that small employers who don't offer group health coverage can help employees pay for medical expenses through a QSEHRA. It also includes a question 'How will I know if my employer offers me a QSEHRA?' with the answer 'You'll get a notice from your employer with your QSEHRA dollar amount.' and another question 'If I'm offered a QSEHRA, am I still eligible for a tax credit through the Marketplace?'.

- If your client's employer offers money to your client through a QSEHRA, his or her eligibility for the premium tax credit changes; the impact depends on the amount of money the employer offers.
- If the QSEHRA makes Marketplace coverage *affordable* for your client, he or she would not be eligible for a premium tax credit.*
- If the QSEHRA itself does not make Marketplace coverage *affordable* for your client, he or she may still be eligible for a smaller premium tax credit. Your client should reduce the amount of APTC used by the amount of the QSEHRA.*

*Direct your clients that have a QSEHRA to [HealthCare.gov/help/qsehra/](https://www.healthcare.gov/help/qsehra/) to learn how to adjust their APTC to lower the chance they will have to pay back some or all of their APTC when they file federal income taxes.

How does a QSEHRA Impact Eligibility for Marketplace Financial Assistance?

- Advise your clients with QSEHRA offers to consider adjusting the amount of APTC they elect to reduce chances of having to pay back some or all of the credit when filing their respective federal income tax returns, as the Marketplace application cannot currently adjust eligibility amounts based on a QSEHRA.
- A client's eligibility for the premium tax credit will be affected even if he or she does not use the QSEHRA.

*Direct your clients that have a QSEHRA to [HealthCare.gov/help/qsehra/](https://www.healthcare.gov/help/qsehra/) to learn how to adjust their APTC to lower the chance they will have to pay back some or all of their APTC when they file federal income taxes.

COBRA Overview and QSEHRA Assistance



*Other Marketplace
Updates*

Special Enrollment Period for 2017 Puerto Rico/US Virgin Islands Hurricanes

- Individuals affected by the 2017 hurricanes in Puerto Rico and the U.S. Virgin Islands who relocated to an FFM state, but were unable to complete enrollment during the 2018 Annual Open Enrollment period or any other SEP, are eligible for an exceptional circumstance SEP to enroll in plan year 2018 coverage.
- Individuals in this situation may request this SEP **through March 31, 2018**.
- Consumers should contact the Marketplace Call Center at 1-800-318-2596 to request enrollment using this SEP.



Providing Consumer Assistance via Help On Demand

- Even though Open Enrollment has ended, you can continue to use Help On Demand to help consumers who are seeking assistance with Marketplace SEPs and other changes in circumstances.
- See this [tip sheet](#) to find out how to participate if you have not yet signed up with BigWave Systems for Help On Demand.
- The goal of Help On Demand is to provide consumers with quick assistance. For this reason, you must accept requests for assistance within 15 minutes or they will be reassigned to another available agent or broker.
- Update your availability regularly on your Help On Demand profile to ensure that you receive requests when you are ready to help consumers.
- For more information on changing your availability status and additional tips on maximizing your participation in Help On Demand, view our new [tip sheet](#).

Upcoming Activities

- The slides from this webinar are already available on REGTAP at www.REGTAP.info and will be available on the [Resources for Agents and Brokers webpage](#) in the coming days.
- Watch your email for invitations to upcoming webinars.

Upcoming Assister Webinar*
February 2, 2:00-3:30 PM ET
Agents/Brokers Welcome!

Reporting changes in
circumstances to the
Marketplace

***Upcoming Agent/Broker
Webinar****
February 15, 2:00-3:00 PM ET

Assisting clients who may
qualify for a special enrollment
period

*Webinar dates and topics are subject to change. CMS will share current webinar information via email.

Questions and Answers



Enter your questions in the webinar Q&A panel located to the right of the presentation screen.

Agent and Broker Resources

Resource	Description	Link
Agents and Brokers Resources webpage	Primary outlet for information about participating in the Health Insurance Marketplace	http://go.cms.gov/CCIIOAB
HealthCare.gov	Official site of the Health Insurance Marketplace used for researching health coverage choices, eligibility, and enrollment	https://www.healthcare.gov/
Marketplace information source for Agents and Brokers	Provides additional technical assistance resources about Marketplace eligibility, financial assistance, enrollment, and more	https://marketplace.cms.gov
Plan Year 2018 Marketplace Registration and Training for Agents and Brokers	Describes the process and requirements for completing annual Marketplace registration and training for agents and brokers	https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Plan-Year-2018-Registration-and-Training.html

Agent and Broker Resources (Continued)

Resource	Description	Link
Registration Completion List	Public list of agents and brokers who have completed Marketplace registration; used by issuers to verify your eligibility for compensation for assisting with consumer enrollments	https://data.healthcare.gov/ffm_ab_registration_lists
Find Local Help	Tool available on HealthCare.gov that enables consumers to search for a local, Marketplace-registered agent or broker with a valid health line of authority to assist with FFM enrollment	https://localhelp.healthcare.gov/
Help On Demand	A service that connects consumers seeking assistance with Marketplace-registered, state-licensed agents and brokers in their area who can assist with Marketplace enrollment when the consumer is available	https://www.cms.gov/CCIIO/Programs-and-Initiatives/Health-Insurance-Marketplaces/Downloads/Help-On-Demand.pdf
Agent and Broker National Producer Numbers (NPNs)	Provides a search function to determine the correct NPN to enter in your Marketplace Learning Management System (MLMS) profile and on Marketplace applications	www.nipr.com/PacNpnSearch.htm

Most Frequently Used Agent/Broker Marketplace Help Desks and Call Centers

Name	Phone # and/or Email Address	Types of Inquiries Handled	Hours (Closed Holidays)
Direct Agent/ Broker Partner Line	855-788-6275 Note: Enter your NPN to access this line.	<ul style="list-style-type: none"> Assist consumers with HealthCare.gov account password resets SEPs not available on the consumer application Individual Marketplace eligibility and enrollment issues 	Mon–Sun 24 hours/day
Agent/Broker Email Help Desk	FFMProducer-AssisterHelpDesk@cms.hhs.gov	<ul style="list-style-type: none"> General enrollment and compensation questions Manual identity proofing/Experian issues Escalated general registration and training questions (not related to a specific training platform) Agent/Broker Registration Completion List issues Find Local Help and Help On Demand issues 	Mon–Fri 8:00 AM–6:00 PM ET
Agent/Broker Training and Registration Email Help Desk	MLMSHelpDesk@cms.hhs.gov	<ul style="list-style-type: none"> Technical or system-specific issues related to the agent/broker training and registration system (i.e., the MLMS) User-specific questions about maneuvering in the MLMS site, or accessing training and exams 	Mon–Fri 8:00 AM–5:30 PM ET
Marketplace Service Desk	855-CMS-1515 855-267-1515 CMS_FEPS@cms.hhs.gov	<ul style="list-style-type: none"> CMS Enterprise Portal password resets and account lockouts Login issues on the Direct Enrollment agent/broker landing page Other CMS Enterprise Portal account issues or error messages 501 Downstream Error message on HealthCare.gov website issues General registration and training questions (not related to a specific training platform) 	Mon-Fri 8:00 AM–8:00 PM ET

Acronym Definitions

Acronym	Definition
APTC	Advance Payments of the Premium Tax Credit
CCIIO	Center for Consumer Information and Insurance Oversight
CMS	Centers for Medicare & Medicaid Services
COBRA	Consolidated Omnibus Budget Reconciliation Act
CSRs	Cost-sharing Reductions
FFM	Federally-facilitated Marketplace
MLMS	Marketplace Learning Management System
NPN	National Producer Number
QSEHRA	Qualified Small Employer Health Reimbursement Arrangements
REGTAP	Registration for Technical Assistance Portal
SBM	State-based Marketplace
SBM-FP	State-based Marketplace on the Federal Platform
SEP	Special Enrollment Period