



COBRA Continuation Coverage Notice in Connection with Extended Election Periods

IMPORTANT INFORMATION: COBRA Continuation Coverage, other Health Coverage Alternatives and Extended Election Periods under the American Rescue Plan Act of 2021

May 10, 2021

Dear Potential Assistance Eligible Individual:

This notice has important information about your new rights related to continued health care coverage in the State Health Plan or MUSC Health Plan (the Plan) that is administered by the South Carolina Public Employee Benefit Authority (PEBA).

The American Rescue Plan Act of 2021 (ARP) provides temporary premium assistance for COBRA continuation coverage. Premium assistance is available to certain individuals who are eligible for COBRA continuation coverage due to a qualifying event that is a reduction in hours or an involuntary termination of employment. If you qualify for premium assistance, you do not need to pay any of the COBRA premium otherwise due to the Plan for the months when you are eligible for premium assistance. This premium assistance is available from April 1, 2021, through September 30, 2021. If you choose to continue your COBRA continuation coverage beyond that date, you will have to pay the full COBRA premium amount due. However, when your premium assistance ends, you may qualify for a special enrollment period to enroll in coverage through the Health Insurance Marketplace¹ (see section on other coverage options below).

You are receiving this notice because you experienced a qualifying event that may have been a reduction in hours or an involuntary termination of employment and you have not reached the maximum period for your COBRA continuation coverage or did not elect COBRA continuation coverage when it was first offered.

To help determine whether you can get the ARP premium assistance, you should read this notice and the attached documents carefully. In particular, review the *Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021* that includes details regarding eligibility, restrictions and obligations, and the *Request for Treatment as an Assistance Eligible Individual*.

If you believe you meet the criteria for the premium assistance, complete the *Request for Treatment as an Assistance Eligible Individual* (provided in the *Summary of COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021* document as an attachment to this notice) and return it to your former employer. If your former employer verifies your eligibility for the premium

¹ Health Insurance Marketplace is a registered service mark of the U.S. Department of Health & Human Services.

assistance, they will assist you with completing a **COBRA Notice of Election (NOE)** and submitting it to PEBA. You must still complete an NOE even if you are currently enrolled in COBRA coverage.

Please read the information in this notice very carefully before you make your decision.

If I did not have COBRA continuation coverage and now elect COBRA continuation coverage, when will my coverage begin and how long will the coverage last?

If elected, COBRA continuation coverage will begin on April 1, 2021, and can last no longer than your maximum allowable period of COBRA coverage.

COBRA continuation coverage may end before the maximum allowable period of COBRA continuation coverage in certain circumstances, including for failure to pay premiums, for fraud, or if you become covered by another group health plan.

A potential Assistance Eligible Individual has the choice of electing COBRA continuation coverage beginning April 1, 2021, electing prospectively from the date of your qualifying event if your qualifying event is after April 1, 2021, or electing COBRA continuation coverage commencing from an earlier qualifying event if you are eligible to make that election. The election period for COBRA continuation coverage with premium assistance does not cut off an individual's preexisting right to elect COBRA continuation coverage.

Can I now extend the length of COBRA continuation coverage?

If you now elect COBRA continuation coverage, you may be able to extend the length of COBRA continuation coverage if a qualified beneficiary is disabled, or if a second qualifying event occurs. You must notify PEBA of a disability or a second qualifying event within a certain time period to extend the period of COBRA continuation coverage. If you don't provide notice of a disability or second qualifying event within the required time period, it will affect your right to extend the period of COBRA continuation coverage.

For more information about extending the length of COBRA continuation coverage visit www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/publications/an-employees-guide-to-health-benefits-under-cobra.pdf.

How much does COBRA continuation coverage now cost?

The cost for COBRA continuation coverage is as follows. If your former employer was an optional employer, verify your rates with your former benefits office.

	Subscriber	Subscriber/ spouse	Subscriber/ children	Full family	Children only
Standard Plan/MUSC Plan	\$510.40	\$1,072.06	\$777.16	\$1,331.40	\$266.76
Savings Plan	\$420.66	\$892.58	\$651.32	\$1,133.96	\$230.66
Dental Plus	\$40.24	\$75.08	\$89.50	\$115.74	\$49.28
Basic Dental	\$13.76	\$21.54	\$27.74	\$35.52	\$14.00
State Vision Plan	\$5.92	\$11.84	\$12.72	\$18.64	\$6.80
Tobacco-use premium	\$40.00	\$60.00	\$60.00	\$60.00	\$60.00

The ARP reduces the COBRA premium to zero for certain individuals. Premium assistance is available to certain individuals who are eligible for COBRA continuation coverage due to a qualifying event that is a reduction in hours or an involuntary termination of employment. If you qualify for premium assistance, you need not pay any of the COBRA premium otherwise due to the Plan. This premium assistance is available from April 1, 2021, through September 30, 2021. If you choose to continue your COBRA continuation coverage beyond that date, you will have to pay the full amount due. See the attached *Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan of 2021* for more details, restrictions and obligations, as well as the form to complete to establish eligibility.

If you qualify as an Assistance Eligible Individual, this monthly premium cost will be zero from April 1, 2021, through September 30, 2021, and you do not have to send any payment with the election form. Your former employer will be responsible for paying your monthly premium during this assistance period.

PEBA will send you additional payment information after receiving the election form.

Are there other coverage options besides COBRA continuation coverage?

Yes. There may be other coverage options for you and your family through the Health Insurance Marketplace, Medicare or other group health plan coverage options (such as a spouse's plan) through a special enrollment period. Additionally, you may apply for and, if eligible, enroll in Medicaid at any time. If you are not eligible for premium assistance under the ARP, some of these options may cost less than COBRA continuation coverage. If you are eligible for other group health plan coverage, such as through a new employer's plan or a spouse's plan (not including excepted benefits, a qualified small employer health reimbursement arrangement or a health flexible spending arrangement), or if you are eligible for Medicare, you are not eligible for ARP premium assistance. However, if you have individual market health insurance coverage, like a plan through the Marketplace, or if you have Medicaid, you may be eligible for ARP premium assistance if you elect COBRA continuation coverage. Note, however, that you will not be eligible for a premium tax credit, or advance payments of the premium tax credit, for your Marketplace coverage for months that you are enrolled in COBRA continuation coverage and you may not be eligible for months during which you remain an employee but are eligible for COBRA continuation coverage with premium assistance because of a reduction of hours. If you're eligible for Medicare, consider signing up during its special enrollment period to avoid a coverage gap when your COBRA coverage ends and a late enrollment penalty.

You should compare your other coverage options with COBRA continuation coverage and choose the coverage that is best for you. For example, if you move to other coverage, you may pay more out of pocket than you would under COBRA, because the new coverage may impose a new deductible. Also, keep in mind that if you elect COBRA continuation coverage with premium assistance, then you may qualify for a special enrollment period to enroll in Marketplace coverage when your premium assistance ends. You may use the special enrollment period to enroll in Marketplace coverage with a tax credit if you end your COBRA continuation coverage when your premium assistance ends and you are otherwise eligible.

When you lose job-based health coverage, it's important that you choose carefully between COBRA continuation coverage and other coverage options, because once you've made your choice, it can be

difficult or impossible to switch to another coverage option until the next available open enrollment period.

For more information

This notice doesn't fully describe COBRA continuation coverage or other rights under the Plan. More information about COBRA continuation coverage and your rights under the Plan is available from the Plan Administrator.

If you have questions about the information in this notice, your rights to coverage, or if you want a copy of your Plan, contact PEBA's Customer Service at 803.737.6800 or 888.260.9430, or 202 Arbor Lake Drive, Columbia, SC 29223.

For more information about your rights under the Employee Retirement Income Security Act (ERISA), including COBRA, the Patient Protection and Affordable Care Act, and other laws affecting group health plans, visit the U.S. Department of Labor's EBSA website at www.dol.gov/agencies/ebsa, go to www.askebsa.dol.gov, or call their toll-free number at 866.444.3272. For more information about health insurance options available through the Health Insurance Marketplace, and to locate an assister in your area who you can talk to about the different options, visit www.HealthCare.gov.

Keep your Plan informed of address changes

To protect your and your family's rights, still keep PEBA and your former employer informed of any changes in your address and the addresses of family members. You should also still keep a copy of any notices you send to PEBA or your former employer.