

HR QUICK REFERENCE GUIDE

NAVIGATING COVID-19





Here is what we are hearing from employee benefits insurance carriers about COVID-19 and how claims are being covered.

Medical Plans

Under the Families First Coronavirus Response Act (FFCRA), health plans (insured and self-funded) are required to cover COVID-19 testing at no-cost. Additionally, some states and insurance carriers are expanding coverage to include treatment. Per IRS guidance as of March 11: Testing and treatment can be covered by the plan pre-deductible on High Deductible Health Plans without jeopardizing HSA eligibility. Some vendors are also waiving all copays affiliated with telehealth services, whether related to COVID-19 or not, though this could have an adverse affect on HSA eligibility.

Disability Plans

Coronavirus-related claims will be covered just like any other diagnosis. If a person is diagnosed with Coronavirus, a claim for fully-insured STD or LTD benefits would likely be payable after the elimination period if the definition of disability has been met. Individuals who are quarantined without a diagnosis and not sick generally would not have a payable claim.

Critical Illness & Accident Plans

Coronavirus is not considered a covered condition under most Critical Illness products except where 'Infectious Disease' is noted as a payable benefit in the contract. In such circumstances, the definition, which generally includes the requirement of a positive diagnosis and confinement for a minimum of 14 consecutive days, must be met.

Accident products do not provide benefits for the diagnosis or treatment of Coronavirus except where the product includes a Sickness Hospital Confinement Rider which may provide benefits due to the confinement of a covered sickness.

Hospital Indemnity Plans

Admission/confinement due to a positive diagnosis of Coronavirus may be considered for eligible benefits provided all other provisions of the policy are met. This includes, but is not limited to, meeting the facility definition to which the insured is admitted/confined.

Leave

The Families First Coronavirus Response Act, which passed on March 18, with an effective date of April 1, 2020, provides expanded FMLA rights to eligible employees who need to care for a child if the child's school or childcare provider has been closed due to COVID-19. The Act also provides eligible employees with paid sick leave for a period of quarantine, when seeking a COVID-19 diagnosis, or when caring for another individual under quarantine or seeking a diagnosis. The Act applies broadly to employers with fewer than 500 employees. In addition to expanded leave under the Act, traditional FMLA rights may also cover eligible employees who take leave for their own illness or to care for a family member. Click the link for more FMLA information: [Acrisure FMLA Update](#)

Life

Coronavirus is a covered illness for group and voluntary life insurance products. Benefits would be paid according to policy provisions. *AD&D benefits do not apply for COVID-19 claims.



Navigating benefits can be confusing. Coverage considerations are listed below for both the insured and uninsured individual.

FAQs for Medical Continuation

What is an employer's responsibility regarding continuation of coverage for former employees?

If an employer has over 20 employees, Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees the ability to purchase coverage through their former employer's insurance coverage on a temporary basis, most commonly up to 18 months, and longer when special circumstances occur. Employees must have either lost coverage in the last 60 days or be losing coverage in the next 60 days to qualify.

If an employer has less than 20 employees, COBRA is not required. Options for individuals without COBRA are at the bottom of this page.

How can COBRA be paid?

- Employee pays 100% of the cost for coverage continuation.
- Employers have the ability to pay for this coverage in-full or partially, making it a taxable write-off. Employers that choose to do this should create a consistent precedent for all employees during this time.

NOTE: Each year, individuals are able to purchase and enroll in healthcare during their employer's standard open enrollment period, or during the Marketplace's open enrollment period of Nov 1 – Dec 15 . A qualifying event must occur to trigger a special enrollment period which allows an individual to purchase and enroll in health insurance off-cycle.

Lost coverage is considered a qualifying event.

What other options do individuals have outside of employer-sponsored plans?

- Members coming from an employer plan without a COBRA offering may have the ability to purchase coverage directly through their former carrier(s). If offered, each carrier will vary in their coverage continuation options.
- Individuals can obtain quotes and purchase health insurance through the government-run Marketplace or directly through an insurance agent. During this process, an individual will learn if they qualify for health insurance subsidies. This is based on your personal and financial information.
- Short Term Medical Insurance options are available. These policies allow the individual to select the timeframe in which they would like to be insured, up to 6 months of coverage. Conditions that are pre-existing will not be covered.
- Telemedicine plans can be purchased as a stand-alone option. Telemedicine provides clinical services to patients without an in-person visit. Visits for acute/minor conditions and behavioral health are virtual, via telephone or video.



FAQs for Voluntary Benefits Continuation

If an employee is on leave/furlough and not 'actively' working, how long can their Voluntary Benefit offerings like Accident, Critical Illness, Hospital Indemnity plans remain intact?

While many certificates/policies may not include furloughs as an approved leave, due to the pandemic, many carriers are making accommodations. Some policyholders have elected to continue to pay premiums on the employee's behalf for up to 2 months, and in some cases, longer. For plan-specific information, connect with your carrier representative or agent.

How does this impact the employee if the employer is not collecting premium payments?

The employee should call their carrier customer service team and discuss options.

How does this impact the employee if the employer IS collecting premium payments?

If the employee isn't working, and the employer chooses to pay for the coverage, it is the employer's decision to forgive or collect when the employee returns. If the employee is paying the employer directly while not working, and the employer pays the bill for the policies, the policies will be continued. True voluntary plans that are paid 100% by the employee and that are not considered employer-sponsored (i.e., exempt from ERISA) should not have any employer payment of premiums. If an employer is collecting and forwarding premium payments as a courtesy, that will end when payroll stops. Employees should contact their carrier customer service team to set up direct payment of premium.

Many carriers offer employees the ability to port group coverage into individual coverage. If the employee chooses to port, how soon does he or she need to act?

Group products have a short period for portability - usually 30 days. Each employee should contact their carrier customer service for further instructions. Individual products that are group-sponsored generally have a longer portability period. Rates may be subject to change when ported. Please note: oftentimes, when group products are ported, the employee is unable to go back to the group product when they return to work.

FAQs on Dependent Care FSA

IRS regulation allows employees to make a mid-year change to their Dependent Care FSA election (or make a brand new election) any time there is a change to the daycare "cost or coverage." During this pandemic, schools and daycares are closing. This is a qualifying event that would allow for a change in election.

All election changes must be consistent with the daycare change and made within 30 days of the daycare change. Clients should have employees complete a new enrollment form for their file. Additional forms may be needed depending on the FSA vendor.

A key component of the Dependent Care FSA is that the daycare cost must be incurred in order to enable the employee and spouse to work or look for work. If the employee or spouse is at home and available to watch the child(ren), any daycare expense would not qualify for reimbursement from the FSA.