

THE JEFFERSON HEALTH PLAN UPDATE

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WELCOME!

As another way to reach out to current Jefferson Health Plan groups and communicate on issues that directly impact our members, we will be providing updates on what is happening in the consortium.

If you have items that you would like to see in these updates, feel free to let us know!

Email:
jhpemployer@thejeffersonhealthplan.org

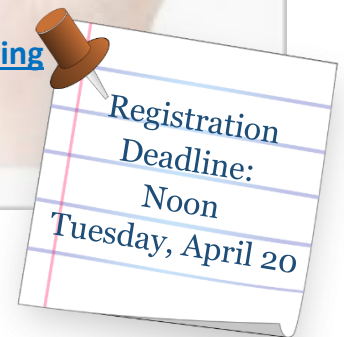
JHP Spring Informational Session

Wednesday, April 21, 2021

The JHP Spring Virtual Informational Session will be April 21 at 10:00 a.m. As with our in-person meetings, we will be sharing consortium updates including fiscal, legal, and administrative matters. These will include topics such as the consortium renewal, program overviews and legislative updates pertinent to our member groups. There is still time to register! Access registration by clicking on the following link:

<http://bit.ly/JHP2021Spring>

Zoom meeting information will be sent to registrants prior to the event.



Jefferson
HEALTH PLAN

Annual PCORI Fee Adjustment and Filing

You may recall that the Patient-Centered Outcomes Research Institute (PCORI) Fee was extended through plan years ending before October 1, 2020. In IRS Notice 2020-84 released on November 24, 2020 (<https://www.irs.gov/pub/irs-drop/n-20-84.pdf>), the IRS announced that the adjusted applicable dollar amount for PCORI fees for plan years ending on or after October 1, 2020, and before October 1, 2021, is \$2.66. For plan years ending on or after October 1, 2019, and before October 1, 2020, the adjusted applicable dollar amount is \$2.54. (See also <https://www.irs.gov/affordable-care-act/patient-centered-outreach-research-institute-filing-due-dates-and-applicable-rates>). The Jefferson Health Plan will again work with Gilmore, Jason and Mahler to prepare the Form 720 used for filing the PCORI fee. They will coordinate payment by issuing checks from each member group's reserve account for the amount of the fee. Filing and payment will be submitted for each member organization prior to the July 31, 2021 deadline. You will be receiving the completed Form prepared for your signature in the coming months in an email. Please review your Form and upon approval, sign, scan, and return the documents electronically per the instructions in the email provided for filing and payment.

COBRA Subsidies Under the American Rescue Plan Act of 2021

The American Rescue Plan Act of 2021 (ARPA) is the latest federal COVID-19 relief bill, which the President signed into law on March 11, 2021. Among other provisions, ARPA provides for a 100% federal subsidy of COBRA premiums during the period of April 1, 2021, through September 30, 2021 for certain eligible individuals. The subsidy applies to group health coverage typically subject to COBRA (including dental and vision coverage), except for health flexible spending accounts (FSAs). On Wednesday, April 7, 2021, the U. S. Department of Labor's Employee Benefits Security Administration (EBSA) issued model notices (<https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/cobra/premium-subsidy>), and guidance in the form of Frequently Asked Questions (FAQs) and answers (<https://www.dol.gov/sites/dolgov/files/EBSA/about-ebsa/our-activities/resource-center/faqs/cobra-premium-assistance-under-arp.pdf>), to assist employers and plan administrators in fulfilling their notice obligations under the law and administering the COBRA subsidy. Here are highlights:

Eligibility for COBRA Subsidy. The ARPA COBRA subsidy is available to “assistance eligible individuals” (AEIs). An AEI is an employee or dependent who is a COBRA qualified beneficiary and elects COBRA for a period of coverage within the subsidy period due to a qualifying event of an involuntary termination of employment or a reduction in hours. Individuals who qualify for COBRA because of voluntary termination, retirement, or death would not be considered AEI. The FAQs guidance makes clear that, to trigger eligibility for the subsidy, an AEI's qualifying event must be (1) an involuntary termination of employment; or (2) a reduction of hours, whether involuntary or voluntary. Individuals who are eligible for Medicare or other group health coverage (excluding excepted benefits, qualified small-employer HRAs (QSEHRAs), or health FSAs) are not eligible for the subsidy. And employees terminated for gross misconduct are ineligible for both COBRA and the subsidy. The FAQs guidance emphasizes that the subsidy provisions apply to all group health plans subject to the COBRA rules under ERISA or the PHSA, as well as group health insurance required under state mini-COBRA laws.

Premium Assistance. The ARPA simply suspends the AEI's obligation to make COBRA premium payments for up to 6 months. The FAQs guidance confirms that AEIs will not need to pay any part of what would otherwise be paid for COBRA coverage, including administrative fees. This means that the subsidy will cover the 2% administrative fee that is typically included in the COBRA premium. This subsidy will not count towards an individual's gross income and will be treated as an advance refundable payroll tax credit. For self-insured plans, the COBRA premium is covered by the employer, which will be allowed to claim a refundable quarterly tax credit against its Medicare payroll tax equal under Internal Revenue Code Section 3111(b) to the premium amounts not paid by AEIs. If the credit exceeds the taxes owed for a quarter, the excess will be refundable.

Extended/Special Enrollment Period. Employers/plan administrators will need to offer a new special election opportunity to certain individuals. Specifically, unless an individual is no longer within his or her maximum 18-month COBRA period, the individual gets a second opportunity to elect COBRA coverage if he or she had an involuntary termination or reduction in hours prior to April 1, 2021, and either (a) did not elect COBRA coverage in conjunction with that event or (b) elected COBRA coverage before April 1, 2021, but discontinued it before that date. The FAQs guidance explains that such individuals must be notified of this opportunity by May 31, 2021, and have 60 days (90 days, if the employer allows AEIs to choose a different coverage option with an equal or lower premium that was originally available to them) after the notice is provided to elect COBRA. Individuals can begin their coverage prospectively from the date of their election, or choose to start their coverage as of April 1, 2021, even if they receive notice and make their election at a later date. The FAQs also clarify that the ARPA did not modify the definition of “election period” in any state “mini-COBRA” laws. Employers subject to state mini-COBRA laws will not be required to provide the special subsidized COBRA election notice to such

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individuals. This is consistent with the EBSA model Alternative Notice for use by employers or plans subject to state mini-COBRA laws, and their AEIs who experience qualifying events from April 1, 2021, through September 30, 2021.

Plan Enrollment Option. The ARPA also creates a “plan enrollment option,” under which a plan may (but is not required to) permit AEIs to elect a different coverage option. Under COBRA, continuation coverage is typically limited to the same coverage the individual is enrolled in at the time of the qualifying event. However, under ARPA, AEIs may be allowed to elect, within 90 days of notification of this right, to enroll in a coverage option different from the one they were enrolled in at the time of the qualifying event, provided that: (1) the premium for such coverage is equal to or less than the premium for the coverage in which the AEI was enrolled at the time of the qualifying event; (2) the alternative coverage does not qualify as “excepted benefits” coverage (e.g., standalone dental coverage); and (3) the alternative coverage is also offered to similarly situated active employees. The FAQs guidance emphasizes that AEIs with qualifying events that occurred before April 1, 2021, may be able to choose two very different COBRA coverage arrangements. First, someone eligible for COBRA benefits due to an involuntary termination of employment or reduction in hours that occurred in mid-2020, during the period of time that the pandemic-related deadline was extended, would be able to elect COBRA coverage in 2021 that would be effective back to the date of the qualifying event. Such an AEI would be charged COBRA premiums for coverage periods up until April 1, 2021, when the subsidy would begin. Alternatively, this AEI could elect to take advantage only of the subsidized COBRA premiums, which would not go back to the date of his or her qualifying event, but would start on April 1, 2021. This choice is highlighted in the relevant model notices. The FAQs also note that an employer may need to reimburse or credit individuals for COBRA premium payments they made if it is later discovered that the payment corresponded to one month of COBRA coverage for which the individual was eligible for the premium assistance.

Subsidy Period. COBRA premium subsidies end on the earliest of (1) September 30, 2021; (2) the date on which the AEI becomes eligible for Medicare, or another group health plan, such as a plan sponsored by a new employer or a spouse's employer but not including excepted benefits, a QSEHRA or a FSA; (3) the end of date of the AEI's maximum COBRA continuation coverage period, which is generally 18 months from the end of employment but can be extended to 29 months for people with disabilities, and up to 36 months if there is a second qualifying event during the initial continuation coverage period, such as the divorce or separation of the employee and spouse. AEIs must notify the plan if they become eligible for other group health plan coverage or Medicare. Failure to do so could result in penalties (generally \$250, though can be up to 110% of the premium assistance provided if the failure was fraudulent, or eliminated entirely in the event of reasonable cause).

Plan Notice Requirements. The ARPA includes specific requirements for group health plans/employers to provide premium subsidy information to all AEIs.

- Notice of assistance availability. Group health plans must provide an initial notice to AEIs who become entitled to elect COBRA during the subsidy period about the subsidy's availability and the individual's option to enroll in other coverage options (if permitted by the plan) no later than May 31, 2021. Failure to provide such notice will be treated as a failure of the COBRA notice requirements. In practice, Employers will need to determine which employees/dependents lost health plan coverage within the past 18 months (on or after November 1, 2019), because of an involuntary termination of employment or reduction in hours (because the 18-month period for such individuals would end April 30, 2021, allowing one month of subsidized coverage), and employers will need to send a notice to each of those employees (and their covered family members). This notice obligation can be met by amending existing notices or by providing the required notices in a separate document.
- Notice of extended election period. Group health plans must provide notice to AEIs for an extended election period by May 31, 2021.

- Notice of expiration of subsidy. Group health plan must also provide a clear and understandable notice explaining that the subsidy will end soon (including prominent identification of the expiry date), but that coverage may continue without the subsidy through COBRA or a group health plan. However, the notice is not required if the individual loses subsidy eligibility because he or she became eligible for another group health plan or Medicare. This notice must be provided between 45 and 15 days before the date on which assistance eligible individual's subsidized COBRA coverage period expires, unless the subsidy is expiring because the individual has gained eligibility for coverage under another group health plan or Medicare.
- Model Notices. Model Notices provided by the EBSA include:
 - Model ARPA General Notice and COBRA Continuation Coverage Election Notice (For use by group health plans for qualified beneficiaries who have qualifying events occurring from April 1, 2021 through September 30, 2021);
 - Summary of COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021, which is to be attached to the general notice and includes a form by which an individual may request to be treated as an AEI or give notice of eligibility for other coverage;
 - Model COBRA Continuation Coverage Notice in Connection with Extended Election Periods (For use by group health plans to be provided to AEIs currently enrolled in COBRA and those who would be AEIs if they had elected or maintained COBRA);
 - Model Alternative Notice of ARPA Continuation Coverage Election Notice (For use by insured coverage subject to state continuation requirements between April 1, 2021 and September 30, 2021);
 - Model Notice of Expiration of Period of Premium Assistance (For use by group health plans to AEIs 15-45 days before their premium assistance expires).

The EBSA's News Release as to Guidance, Model Notices Implementing ARPA's COBRA Premium Assistance Provisions (<https://www.dol.gov/newsroom/releases/ebsa/ebsa20210407>) provided that group health plans and employers don't have to use the model notice, but the model notices will help them comply with these new notice requirements and provide important information to individuals as they make critical healthcare choices for themselves and their families. The Department of Labor considers appropriate use of the model notices to be good faith compliance with the content requirements of COBRA and the ARPA. "If you have questions regarding your eligibility for ARP premium subsidies, or questions regarding these model notices, contact the Employee Benefits Security Administration at askebsa.dol.gov or 1-866-444-3272."

IRS Announcement 2021-7: PPE as Qualified Medical Expense

In Announcement 2021-7 issued on March 26, 2021, (<https://www.irs.gov/pub/irs-drop/a-21-07.pdf>), the IRS announced that amounts paid for personal protective equipment (PPE) for the primary purpose of preventing the spread of COVID-19—such as masks, hand sanitizer, and sanitizing wipes—are treated as amounts paid for medical care under § 213(d) of the Internal Revenue Code (Code) if purchased by an individual for use by that individual, or by the individual's spouse or dependents. As a result, these COVID-19 PPE amounts are eligible to be paid or reimbursed under health flexible spending arrangements (health FSAs), Archer medical savings accounts (Archer MSAs), health reimbursement arrangements (HRAs), or health savings accounts (HSAs). Alternatively, these expenses—to the extent not paid or reimbursed under one of the foregoing arrangements or any other health plan—are deductible for federal income tax purposes if the taxpayer's total medical expenses (excluding those compensated for by insurance or otherwise) exceed 7.5% of adjusted gross income. Group health plans, including FSAs and HRAs, under the terms of which expenses for COVID-19 PPE may not be reimbursed, may be amended to allow reimbursement of COVID-19 PPE expenses incurred for any period beginning

on or after January 1, 2020. The amendment may be retroactive if the plan has been operated consistent with its terms and the amendment is adopted no later than the last day of the first calendar year beginning after the end of the plan year in which the change is effective. However, no retroactive amendment may be adopted after December 31, 2022. In other words, to adopt an amendment allowing reimbursement of PPE by an FSA or HRA beginning January 1, 2021, the plan must have been operated to provide for such reimbursements of PPE amounts throughout 2021, and the amendment must be adopted no later than December 31, 2022.

Service Contact Guide

The Jefferson Health Plan has updated its contact information to better serve members. If members have any concerns, comments, or suggestions, please email or call based on the service contact guide below:

TOPIC	EMAIL ADDRESS	PHONE
Billing	billing@thejeffersonhealthplan.org	740.792.4010 ext.250
Investment (US Bank/ Audit)	invest@thejeffersonhealthplan.org	740.792.4010 ext.251
Legal and Compliance	legal@thejeffersonhealthplan.org	740.792.4010 ext.252
Ohio Valley Pool	ovp@thejeffersonhealthplan.org	740.792.4010 ext.253
Quotes	quotes@thejeffersonhealthplan.org	740.792.4010 ext.254
Employee w/Questions (Wellness & EAP)	jhpmember@thejeffersonhealthplan.org	740.792.4010 ext.255
Employer w/Questions	jhpemployer@thejeffersonhealthplan.org	740.792.4010 ext.256
Renewals/Election Sheets	renewals@thejeffersonhealthplan.org	740.792.4010 ext.254
Moratoria Requests	moratoria@thejeffersonhealthplan.org	740.792.4010 ext.251
Broker w/Questions	broker@thejeffersonhealthplan.org	740.792.4010 ext.257

Upcoming EAP Webinars

Beacon will offer monthly webinars for 2021. The webinars offer timely, relevant, and reliable information for everyday living, and provide participants the opportunity to submit questions and receive an individualized response via email. Here is how the webinars work:

- Employees can access the 30-minute webinars through a link on the home page of your Achieve Solutions website at www.achievesolutions.net/jhp.
- Once logged in, every user can view the webinar and submit questions. All questions will be triaged to the appropriate person for a quick and timely individualized response. Clinical questions will be directed to a Beacon Care Manager.
- After one month, the webinar link will be removed from the Achieve Solutions home page, and a new one will take its place. The former webinar will be archived on the Achieve Solutions website.

Below are the monthly webinars for 2021:

- January 19, 2021: Reframing Your World
- February 16, 2021: Setting Goals for Your Future
- March 16, 2021: Planning for Success
- April 20, 2021: The Steps to Financial Security
- May 18, 2021: Addressing Anxiety in an Uncertain World
- June 15, 2021: Building Healthy and Happy Relationships
- July 20, 2021: Maximizing Your Summer Break
- August 17, 2021: Raising Confident Children
- September 21, 2021: Switch on to Being More Present
- October 19, 2021: Embracing Diversity and Differences

- November 16, 2021: Caring for Our Elders
- December 21, 2021: Paying it Forward



DID YOU KNOW???

- JHP offers an Infrastructure Loan Program for qualifying members. Contact Account Management for more information
- Over the last 3 years, JHP has helped members save over \$132,590,000 in taxes and fees including:
 - a tax savings of \$21,460,000
 - an administrative savings of \$103,590,000
 - a Rx Rebates saving of \$8,100,000



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