

Alternative Notice of ARP Continuation Coverage Election Notice

(For use by insured coverage that is subject to state continuation requirements from April 1, 2021 through September 30, 2021.)

[Enter date of notice]

Dear: [Identify the qualified beneficiary(ies), by name or status]

This notice has important information about your right to continue your health care coverage in the [enter name of group health plan] (the Plan), as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace^{®1}. To sign up for Marketplace coverage visit www.HealthCare.gov or call 1-800-318-2596 (TTY: 1-855-889-4325). You may be able to get coverage through the Health Insurance Marketplace[®] that costs less than continuation coverage after the premium assistance expires. People in most states use www.HealthCare.gov to apply for and enroll in Marketplace coverage; if your state has its own Marketplace platform, you can find contact information here: www.HealthCare.gov/marketplace-in-your-state/.

Please read the information in this notice very carefully before you make your decision. If you choose to elect continuation coverage, you should use the election form provided later in this notice.

The American Rescue Plan Act of 2021 (ARP) provides temporary premium assistance for continuation coverage and, where the employer elects to offer the option, an opportunity to switch to a different health plan option offered by your employer (see below for more information). Premium assistance is available to certain individuals who are eligible for 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 continuation coverage premium otherwise due to the plan. This premium assistance is available from April 1, 2021 through September 30, 2021. If you continue your continuation coverage beyond this time, you may have to pay the full amount due.

To determine whether you are eligible for premium assistance under the ARP, carefully review this notice and the attached document titled “Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021.” **If you believe you are eligible, complete the “Request for Treatment as an Assistance Eligible Individual” and return it to the health plan with your completed Election Form.**

To elect continuation coverage, follow the instructions on the enclosed Election Form and submit it to us.

If you do not elect continuation coverage, your coverage under the Plan will end on [enter date] due to [check appropriate box(es)]:

- End of employment (voluntary)
- End of employment (involuntary)
- Reduction in hours

[Add any other events that would give rise to a right to continuation coverage under state law, such as

- Divorce or legal separation
- Death of employee
- Entitlement to Medicare

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

Loss of dependent child status

Each person in the category(ies) checked below is entitled to elect continuation coverage, which will continue group health care coverage under the Plan for up to ___months *[enter appropriate timeframe]*

[Add appropriate categories and check appropriate box or boxes. Categories may include

- Employee or former employee
- Spouse or former spouse
- Dependent child(ren) covered under the Plan on the day before the event that caused the loss of coverage
- Child who is losing coverage under the Plan because he or she is no longer a dependent under the Plan]

If elected, continuation coverage will begin on *[enter date]* and can last until *[enter date]*.

[Add, if appropriate: You may elect any of the following options for continuation coverage: [list available coverage options]].

*[If the issuer permits Assistance Eligible Individuals to elect to enroll in coverage that is different than coverage in which the individual was enrolled at the time the qualifying event occurred, insert: “In addition, under the ARP, you may have the right to change to additional coverage options that you were not previously enrolled in. To change the coverage option(s) for your COBRA continuation coverage to something different than what you had on the last day of employment or before your reduction in hours, complete the “Form for Switching COBRA Continuation Coverage Benefit Options” and return it to us. Available coverage options are: *[insert list of available coverage options]*.” To be eligible for premium assistance, the different coverage must cost the same or less than the coverage the individual had at the time of the qualifying event; be offered to similarly situated active employees; and cannot be limited to only excepted benefits, a qualified small employer health reimbursement arrangement (QSEHRA), or a health flexible spending arrangement (FSA).]*

Continuation coverage will cost: *[enter amount each qualified beneficiary will be required to pay for each option per month of coverage and any other permitted coverage periods]*. If you qualify as an “Assistance Eligible Individual” this cost will be treated as having been paid in full from April 1, 2021 through September 30, 2021. You do not have to send any payment with the Election Form. Important additional information about payment for continuation coverage is included in the pages following the Election Form.

If you have any questions about this notice or your rights to continuation coverage, you should contact *[enter name of party responsible for continuation coverage administration for the issuer, with telephone number and address]*.

Continuation Coverage Election Form

Instructions: To elect continuation coverage, complete this Election Form and return it to us. Under [\[insert applicable state law\]](#), you have [\[insert number of days\]](#) after the date of this notice to decide whether you want to elect continuation coverage.

Send completed Election Form to: [\[Enter Name and Address\]](#)

This Election Form must be completed and returned by mail. If mailed, it must be post-marked no later than [\[enter date\]](#).

If you do not submit a completed Election Form by the due date shown above, you will lose your right to elect continuation coverage. If you reject continuation coverage before the due date, you may change your mind as long as you furnish a completed Election Form before the due date. However, if you change your mind after first rejecting continuation coverage, your continuation coverage will begin on the date you furnish the completed Election Form.

Read the important information about your rights included in the pages after the Election Form.

I (We) elect continuation coverage in the [\[enter name of plan\]](#) (the Plan) as indicated below:

Name	Date of Birth	Relationship to Employee	SSN (or other identifier)
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a.

[Add if appropriate: Coverage option(s): _____]

b.

[Add if appropriate: Coverage option(s): _____]

c.

[Add if appropriate: Coverage option(s): _____]

Signature

Date

Print Name

Relationship to individual(s) listed above

Print Address

Telephone number

[Only use this model form if the plan permits Assistance Eligible Individuals to elect to enroll in coverage that is different than coverage in which the individual was enrolled at the time the qualifying event occurred.]

Form for Switching Continuation Coverage Benefit Options

Instructions: To change the benefit option(s) for your continuation coverage to something different than what you had on the last day of coverage, complete this Form and return it to us. Under federal law, you have 90 days after the date of this notice to decide whether you want to switch benefit options.

Send completed Form to: *[Enter Name and Address]*

This Form must be completed and returned by mail. If mailed, it must be post-marked no later than *[enter date]*.

THIS IS NOT YOUR ELECTION NOTICE

YOU MUST SEPARATELY COMPLETE AND RETURN THE ELECTION NOTICE TO SECURE YOUR CONTINUATION COVERAGE.

I (We) would like to change the continuation coverage option(s) in the *[enter name of plan]* (the Plan) as indicated below:

Name	Date of Birth	Relationship to Employee	SSN (or other identifier)
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a. -----

Old Coverage Option: -----

New Coverage Option: -----

b. -----

Old Coverage Option: -----

New Coverage Option: -----

c. -----

Old Coverage Option: -----

New Coverage Option: -----

Signature

Date

Print Name

Relationship to individual(s) listed above

Print Address

Telephone number

Important Information about Your Continuation Coverage Rights

What is continuation coverage?

State law requires *[insert state law requirements here]*, for example: that most group health insurance coverage (including this coverage) give employees and their families the opportunity to continue their coverage when there is a “qualifying event” that would result in a loss of coverage under an employer’s plan. Depending on the type of qualifying event, “qualified beneficiaries” can include the employee (or retired employee) covered under the group health plan, the covered employee’s spouse, and the dependent children of the covered employee.

Continuation coverage is the same coverage that the Plan gives to other participants or beneficiaries under the Plan who are not receiving continuation coverage. Each qualified beneficiary who elects continuation coverage will have the same rights under the Plan as other participants or beneficiaries covered under the Plan, including [add if applicable: open enrollment and] special enrollment rights.]

How long will continuation coverage last?

[Insert length of coverage and any other relevant information including the availability of any extensions under state law.]

How can you elect continuation coverage?

To elect continuation coverage, you must complete the Election Form and furnish it according to the directions on the form. *[Insert information about any other state law provisions relevant to the election process, including the rights of family members.]*

In considering whether to elect continuation coverage, you should take into account that a failure to continue your group health coverage may affect your special enrollment rights for group health plans under federal law. You have the right to request special enrollment in another group health plan for which you are otherwise eligible (such as a plan sponsored by your spouse’s employer) within 30 days after your group health coverage ends because of the qualifying event listed above. You will also have the same special enrollment right at the end of continuation coverage if you get continuation coverage for the maximum time available to you.

How much does continuation coverage cost?

[Insert general information regarding the cost of continuation coverage.]

The ARP reduces the continuation coverage premium for certain individuals. Premium assistance is available to certain individuals who experience 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 continuation coverage premium otherwise due to the issuer. This premium assistance is available from April 1, 2021 through September 30, 2021. If your continuation coverage lasts beyond September 30, 2021, you may have to pay the full amount due if you choose to continue your continuation coverage. Review the attached “Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021” for more details, restrictions, and obligations as well as the form to complete to establish eligibility. However, when your premium assistance ends, you may qualify for a special enrollment period to enroll in coverage through the Health Insurance Marketplace[®] (see section on “other coverage options” below).

When and how must payment for continuation coverage be made if I am not eligible for the premium assistance or if I continue my continuation coverage past September 30, 2021?

[Insert information regarding the requirements related to payment for continuation coverage, including any periodic payment provisions or permissible 30-day grace periods.]

You may contact *[enter appropriate contact information for the party responsible for continuation coverage administration under the Plan]* to confirm the correct amount of your payment or to discuss payment issues related to the premium assistance.

Your payment(s) for continuation coverage (if you are not eligible for premium assistance or if you continue on such coverage past September 30, 2021) should be sent to:

[enter appropriate payment address]

Are there other coverage options besides 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 what is called a "special enrollment period." You may apply for and 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 continuation coverage. If you are eligible for other group health coverage, such as through a new employer's plan or a spouse's plan (not including excepted benefits, a QSEHRA or a health FSA), 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 continuation coverage. You will not be eligible for a premium tax credit, or advance payments of the premium tax credit, for your Marketplace coverage once you elect COBRA continuation coverage, or 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 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 continuation coverage because the new coverage may impose a new deductible. Also, keep in mind that if you elect 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 premium tax credit if you end your 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 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 does not fully describe continuation coverage or other rights with respect to your coverage. More information is available from *[enter appropriate contact information for the party responsible for continuation coverage administration under the Plan]*.

If you have any questions concerning the information in this notice, your rights to coverage you should contact *[enter name of party responsible for continuation coverage administration for the Plan, with telephone number and address]*.

For more information about your rights under state law, contact *[insert appropriate contact information.]*

Keep Your Plan Informed of Address Changes

In order to protect your and your family's rights, you should keep *[enter name and contact information for the appropriate party responsible for continuation coverage administration under the Plan]* informed of any changes in your address and the addresses of family members. You should also keep a copy, for your records, of any notices you send to *[enter the name of the party responsible for continuation coverage administration under the Plan]*.

[Attach "Summary of the COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021" in order to satisfy ARP requirements]