

HEALTH PLANS AND IMPACT OF COVID-19



ALERT: HEALTH PLANS AND IMPACT OF COVID-19

The Families First Coronavirus Response Act was passed on March 18, 2020. This new federal law requires group health plans and health insurance issuers offering group or individual health insurance coverage (including grandfathered health plans) to provide coverage, without any cost-sharing requirements (including deductibles, copayments, and coinsurance) or prior authorization or other medical management requirements, for the following items and services furnished:

- In vitro diagnostic products (defined as products that are intended for use in the collection, preparation, and examination of specimens taken from the human body) for the detection of SARS-CoV-2 or the diagnosis of the virus that causes COVID-19 that are approved by the FDA;
- Items and services furnished to an individual during health care provider office visits (including in-person visits and telehealth visits), urgent care center visits, and emergency room visits that result in an order for or administration of an in vitro diagnostic product.

Section 6001 of this Act includes more details about coverage of testing for COVID-19.

There are some other issues that plan sponsors of group health plans should keep in mind as they make difficult business decisions in the coming weeks and months. These issues include (but are not limited to):

- Understand your group health plan's eligibility rules for participation in the plan, including any hours-of-work requirement to be eligible to participate in the plan. Plan rules should provide details as to how long, if at all, employees are kept on the group health plan after being furloughed or terminated from employment. Some health plans may terminate group health coverage on the same day that an employee ceases working, and other plans may keep plan participants covered through the end of a pay period or calendar month.
- Plan sponsors should work with their insurer (and stop-loss insurance carrier) to make sure they understand eligibility for plan participation and liability issues related to covering employees who may not actually be eligible to remain on the plan. It is also important to keep in mind that similarly situated individuals are required to be treated the same way and you will open yourself up to liability if certain employees are treated more favorably than other similarly situated employees.

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- Understand when a COBRA qualifying event occurs and make sure to follow federal COBRA or state/ “mini-cobra” requirements. Plan participants and qualified beneficiaries are generally eligible for federal COBRA continuation coverage upon termination of employment or a reduction in hours. For more information about federal COBRA please [click here](#). For those health plans that have fewer than 20 employees, state continuation coverage may apply. You should check with your state’s insurance commissioner for more details about any “mini-cobra” requirements.
- If you are allowing furloughed employees to remain on the group health plan as active employees, and your employee pays a portion of the premium, make sure to set up a procedure for how those employees will be paying for their portion of the premium. If premiums are not paid then coverage may be terminated, so it is important to set this up in advance with your employees.
- ACA penalties may be incurred if a plan doesn’t offer affordable health coverage to at least 95% of full-time employees. For more information about this please see the IRS information on “Employer Shared Responsibility Provisions”.