

Questions About Wisconsin Continuation Insurance & The American Rescue Plan

1. What is the American Rescue Plan COBRA Premium Assistance program?

President Biden signed the American Rescue Plan Act (ARP) on March 11, 2021. This law subsidizes the full state continuation premium for “Assistance Eligible Individuals” for periods of coverage from April 1, 2021, through September 30, 2021.

2. Is Wisconsin Continuation Insurance eligible for assistance under ARP?

Yes. ARP provides temporary premium assistance to certain individuals who are eligible for continuation coverage due to losing group health insurance coverage offered by their employer. To qualify for premium assistance, an individual must have experienced a reduction in work hours or an involuntary termination of employment. Employers are required to provide you notice of your option to elect continuation coverage. If your spouse and/or dependents were also covered by the group health plan at the time of the qualifying event, they can also continue coverage and the total premium is eligible for the ARP assistance.

3. When is premium assistance available?

Premium assistance can last from April 1, 2021, through September 30, 2021. However, it will end earlier if you become eligible for another group health plan, Medicare, or when you reach the end of your maximum continuation period of 18 months.

4. Am I eligible even if I did not elect continuation coverage when I was first eligible?

You may be. If you elected to not enroll when you became eligible for continuation due to a reduction of hours or involuntary termination; check with your employer to determine whether you may still enroll.

5. Is there a deadline to enroll in continuation coverage under the APR if I didn't enroll when first eligible?

Yes. The deadline to enroll is 30 days from the date of the most recent notice of eligibility.

6. Are some people NOT eligible for continuation coverage or premium assistance?

You are NOT considered eligible for Wisconsin continuation and the premium assistance program if:

- You quit your job voluntarily
- You were terminated for gross misconduct

7. How do I apply for the premium assistance program?

If you are eligible for continuation coverage during April 1, 2021, through September 30, 2021, your employer will provide you with notice of eligibility for continuation coverage and information regarding the premium assistance eligibility. If you believe you are eligible, you should contact your employer directly to ask about taking advantage of the premium assistance program.

8. How will I receive the premium assistance?

You will receive the assistance through not having to pay the premium for continuation coverage for the period of coverage from April 1, 2021, through September 30, 2021. The plan must treat assistance eligible individuals as having paid the premium in full. If you paid a premium for your continuation coverage for any month between April 1, 2021, and September 30, 2021, the amount you paid will be refunded. The total amount of premium assistance provided will be reimbursed to the insurer through a tax credit in an equal amount.

For more information or to file a complaint, visit our website or contact:

Office of the Commissioner of Insurance, 125 South Webster Street, P.O. Box 7873, Madison, WI 53707-7873
p: 608-266-3585 | p: 1-800-236-8517 | f: 608-266-9935 | ociinformation@wisconsin.gov | oci.wi.gov

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9. If I am already enrolled in continuation coverage, will I receive a refund of the premiums I have already paid?

The premium assistance provisions in the ARP apply only to premiums for coverage periods from April 1, 2021, through September 30, 2021. If you were eligible for premium assistance and paid your monthly premium in full for continuation coverage during that time, your employer should provide you with a refund of the assistance-eligible premiums. Employers have 30 days to refund your premium.

10. Are the dependents on my plan covered?

Yes, the individual, spouse, and the dependents currently on the group health plan will qualify for the premium assistance program.

11. I am currently enrolled in individual marketplace health insurance coverage, but I am potentially eligible for the continuation premium assistance program. Can I switch to Wisconsin continuation coverage with premium assistance?

Yes, potentially eligible individuals can use this opportunity to change from individual market health insurance coverage to continuation coverage with premium assistance. Additionally, you may apply for and, if eligible enroll in Medicaid at any time. However, be aware that cost-sharing, such as deductibles, coinsurance, and copayments will likely reset when you change coverage.

If you elect to enroll in continuation with premium assistance, you will no longer be eligible for premium tax credits for Marketplace ([HealthCare.gov](https://www.healthcare.gov)) coverage you otherwise would qualify for during this premium assistance period. You must contact the Marketplace to let them know that you have enrolled in other minimum essential coverage or you may have to repay some or all the premium tax credits made on your behalf during the period you were enrolled in both continuation and Marketplace coverage. This repayment would be required when filing your income tax return for 2021.

12. Can I end my individual health insurance coverage retroactively if I can qualify for continuation with premium assistance starting on April 1?

Enrollees are not permitted to terminate coverage purchased through [HealthCare.gov](https://www.healthcare.gov) retroactively. If you want to end coverage that you purchased through [HealthCare.gov](https://www.healthcare.gov) because you want to change to continuation coverage with premium assistance, you must update your Marketplace application or call the Marketplace at 1-800-318-2596 (TTY: 1-855-889-4325).

If you want to end individual health insurance coverage that you purchased outside of a Marketplace, such as directly from an insurance company, you must contact the insurance company to terminate your coverage.

Consumers should consider the options carefully as they may have already spent money toward their current plan's deductible and maximum out-of-pocket expense amounts. You should compare the coverage offered, the cost share amounts of your current plan, and the premium, cost-sharing requirements of the continuation plan through the employer to make the best decision for you and your dependents.

13. Can I qualify for a special enrollment period (SEP) to enroll in individual market health insurance coverage when my premium assistance ends on September 30? What if my continuation coverage ends sooner than that?

When your continuation premium assistance ends, you may be eligible for a SEP if you have a qualifying event like marriage, birth of a child, or you exhaust your continuation coverage. If you are eligible for a SEP, you may enroll in coverage through [HealthCare.gov](https://www.healthcare.gov) or enroll in individual health insurance coverage outside of the Marketplace. For more information about this SEP, see: [HealthCare.gov/unemployed/cobra-coverage](https://www.healthcare.gov/unemployed/cobra-coverage).

14. What should I do when I become eligible for other employer-based coverage?

You will lose eligibility for continuation premium assistance once you are eligible for other employer-based coverage, elect individual or family coverage, or move out of the state. Once this happens, you must notify your plan administrator or you will risk owing a penalty.

15. How can I get more information on my eligibility for continuation coverage or the premium assistance?

For questions specific to your eligibility for enrollment and/or eligibility for premium assistance, you should contact your employer.

16. What should consumers consider in choosing between a Marketplace plan and continuation coverage?

Many consumers are highly sensitive to premium costs, but there are additional factors to consider, including:

- You will likely have to restart accumulating claims toward another deductible or out-of-pocket maximum if you change coverage. Consumers who have made progress toward reaching the deductible or out-of-pocket maximum may find a new plan more expensive overall for the year.
- The health plans may have different copayments, coinsurance, and deductible amounts.
- Provider networks may be different between the plans.
- Premium assistance for continuation coverage ends on September 30, 2021. An exchange plan will continue until the end of the year, and can be renewed, unless the policy is cancelled.
- Due to ARP's changes to premium tax credit eligibility, coverage through a Marketplace plan may be available to you with no premium or a much lower premium than earlier in 2021.

17. Who can I contact for assistance comparing my coverage options?

Contact Covering Wisconsin at coveringWI.org or by phone at (877) 947-2211. You may contact your health insurance agent for assistance comparing coverage options. You may also find helpful information at HealthCare.gov.

18. I was enrolled in a group dental-only and/or a group vision-only policy when I became eligible for premium assistance. Is the premium I pay for the dental and vision coverages eligible for premium assistance?

Yes. The newly issued guidance from the IRS indicates that even if your employer does not contribute to your premium for dental-only and/or vision-only coverage, if you were covered under the group policies when you became eligible for premium assistance the dental-only and/or vision-only coverage is eligible for premium assistance. The insurer for dental or vision-only coverage will treat premium assistance eligible individuals as having paid their portion of the premium in full.