

COVID-19: Guide to Health Insurance Options for Employers

The COVID-19 public health emergency has presented economic challenges to Wisconsin businesses, forcing many businesses to reduce employee hours, furlough, or lay off employees. Health care coverage is an important benefit and has advantages to employees and their families, employers, and society as a whole. This brief guide can help employers make informed decisions about the health coverage options available to your employees in Wisconsin.

I want to continue to offer employer-based insurance to my employees who have had their hours reduced.

If you have reduced your employees' hours or have placed employees on furlough, you may be able to continue to offer employer-based coverage to those employees. The Office of the Commissioner of Insurance (OCI) issued a bulletin (oci.wi.gov/Pages/Regulation/Bulletin20200326COVID-19SmallEmployerCoverage.aspx) requesting health insurers to be flexible with restrictions, such as minimum average hours worked per week or minimum participation requirements.

Do my employees have to stay on the employer-based insurance?

If you have furloughed employees or reduced their hours below 30 per workweek, it may be more affordable for those employees to apply for insurance on the federal health insurance Marketplace. They could also be eligible for BadgerCare Plus.

Employees facing a loss or reduction of income may choose to not continue on your company's insurance plan. Your employees may be eligible for a special enrollment period and may find a better fit with alternative coverage.

Employees eligible for a special enrollment period may find a plan on the federal Marketplace at HealthCare.gov.

Free enrollment assisters, insurers, and licensed agents can also assist those employees with viable, affordable options.

What you should do:

- Contact your insurance agent or insurance carrier to discuss ways to help your employees maintain health insurance coverage.
- If you have made changes to your employees' hours but continue to offer health insurance, please be sure to communicate that to your employees. Many employees are unsure of their coverage status.
- Provide employees with OCI's guidance document (oci.wi.gov/Documents/Consumers/HealthInsuranceLostCoverageFAQs_Consumer.pdf) that outlines resources for purchasing an individual plan or determining if they qualify for BadgerCare Plus due to a loss in income.
- In this time of uncertainty the more you communicate, the better.
- Visit the Wisconsin Economic Development Corporation (wedc.org) for a wealth of resources available to help businesses weather the effects of the COVID-19 public health emergency.

I have to layoff employees and they will not be eligible to continue health insurance coverage.

State and federal law give certain individuals who lose their group health insurance coverage under an employer or association plan the right to continue their coverage for a period of time, usually 18 months.

- Most employers with 20 or more employees must comply with federal law (COBRA).
- Most group health insurance policies providing coverage to Wisconsin residents must comply with state law.

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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Your obligations under federal law - COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) is a federal law that allows most employees, spouses, and their dependents who lose their health insurance under an employer's group health plan to continue coverage at their own expense for up to 18 months. If an employee chooses COBRA coverage, they pay 100 percent of the premiums, including the share the employer used to pay, plus a small administrative fee. The U.S. Department of Labor provides information about an employer's obligations regarding offering COBRA coverage here:

dol.gov/sites/dolgov/files/ebsa/about-ebsa/our-activities/resource-center/publications/an-employers-guide-to-group-health-continuation-coverage-under-cobra.pdf as well as resources specific to COVID-19 here: dol.gov/coronavirus.

Under COBRA, group health plans must provide covered employees and their families with specific notices explaining their COBRA rights. Plans must also have rules for how COBRA continuation coverage is offered, how qualified beneficiaries may elect continuation coverage, and when it can be terminated.

Your obligations under state law - Wisconsin Continuation

Wisconsin's continuation law applies to most group health insurance policies providing hospital or medical coverage. Dental, vision, and prescription drug benefits are not required to be provided if offered as separate policies. The law applies to group policies issued to employers of any size so Wisconsin continuation is not limited by group size. Additionally, employees who live outside of the State of Wisconsin during employment with an employer located within the State of Wisconsin would be eligible for continuation coverage. The law does not apply to employer self-funded health plans or policies covering only specified diseases or accidental injuries. If an employee chooses Wisconsin Continuation, they pay 100 percent of the premiums, including the share the employer used to pay.

Employers must notify their insurer when employees are furloughed or laid off and the insurer often provides notices that must be given to employees. Employees have 60 days from when they receive the notice to elect COBRA or a continuation or seek coverage during a special enrollment period. You can find more information about COBRA and Wisconsin continuation in the OCI Fact Sheet on Continuation Rights at oci.wi.gov/Pages/Consumers/PI-023.aspx.

Next steps:

- Notify your group health plan insurance carrier if you are discontinuing insurance for your employees. They may provide you with the COBRA and Wisconsin Continuation notification language.
- Provide employees with the written notice of their right to continue group coverage as soon as possible – **this is required**.
- Distribute the OCI guidance document to employees losing group health coverage.
- You can advise employees that they can call 2-1-1 or visit 211.org to get help finding new health insurance coverage

How to help employees who are losing health coverage.

While you are obligated to provide employees with information about coverage continuation through COBRA and Wisconsin law, these options may not be the best fit for employees experiencing a loss in income.

OCI encourages you to provide your employees with guidance on other options that are available including:

- Purchasing an individual plan on HealthCare.gov or through a qualified insurance agent by visiting localhelp.healthcare.gov.
- Enrolling in BadgerCare Plus (State of Wisconsin Medicaid). Employees losing coverage can apply for BadgerCare Plus and other assistance programs anytime online at access.wisconsin.gov or by calling Badgercare Plus member services at 1-800-362-3002.

Next steps:

- Distribute the OCI guidance document (oci.wi.gov/Documents/Consumers/HealthInsuranceLostCoverageFAQs_Consumer.pdf) to employees losing group health care coverage due to COVID-19.
- Direct employees seeking assistance to the following resources (also found on the accompanying document).

2-1-1 Wisconsin helps connect Wisconsinites with local nonprofit and government services in their area. Call 211 or 877-947-2211 or visit 211wisconsin.communityos.org.

Covering Wisconsin provides FREE, local help to connect consumers to health insurance and care. You also can call 608-261-1455 or 414-270-4677 or go to CoveringWI.org.

HealthCare.Gov is a valuable resource as well as the place to shop the Marketplace. You can also call 1-800-318-2596. Through the site, you can search for local insurance agents and brokers as well as assisters at localhelp.healthcare.gov.

Wisconsin Department of Health Services Website – Individuals can find more information on BadgerCare Plus on the Department of Health Services website at dhs.wisconsin.gov/badgercareplus/index.htm. To find out more about your eligibility or to apply, visit Access.Wisconsin.gov.