**COBRA SUBSIDY NOTICE**

Enter date of notice

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

**You are receiving this notice because you involuntarily terminated employment at some point since November 1, 2019. If eligibility requirements are met, you may be newly eligible to enroll in health, dental and/or vision through COBRA provisions, as well as receive a 100% premium subsidy that will cover the full cost of the premium.**

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 with 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.

**If you are currently enrolled in COBRA coverage** for health, dental and/or vision insurance, you may be eligible to receive a premium subsidy for premiums paid effective April 1, 2021.

**If you are not currently enrolled in COBRA coverage** for health, dental and/or vision insurance, you may be eligible to enroll in coverage effective April 1, 2021 and remain covered through the remainder of your 18-month continuation period that began with your termination date.

If it is determined that you are eligible for the premium subsidy, you will be eligible to receive the subsidy through the earliest of the following:

* Becoming eligible for other coverage or Medicare; or
* The end of your initial COBRA eligibility period; or
* September 30, 2021

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* (ET-2314)](https://etf.wi.gov/resource/request-treatment-assistance-eligible-individual) form and return it to your employer. If approved, you will receive additional information about how to remit bills received for coverage to your former employer for payment.

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 Enter a number months.

[ ]  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.

You may elect any of the following options for continuation coverage:

[ ]  Health Insurance

[ ]  Dental Insurance

[ ]  Vision Insurance

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 [*Health Insurance Application/Change* (ET-2331)](https://etf.wi.gov/resource/group-health-insurance-applicationchange-retirees-cobra-continuants) form and return it to us. 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).

If you qualify as an “Assistance Eligible Individual” this cost will be treated as having been paid in full beginning 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 attached document, *Important Information about Your Continuation Coverage Rights*.

If you have any questions about this notice or your rights to continuation coverage, you should contact your employer at:

Enter employer name

Employer contact

Phone number, including area code

Email address

Mailing address

**Important Information about Your Continuation Coverage Rights**

**What is continuation coverage?**

Federal law and state law under Wis. Stat. § 632.897 requires that most group health plans (including this Plan) give employees and their families the opportunity to continue their health care 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 special enrollment rights.

**How long will continuation coverage last?**

Continuation coverage may be in effect for up to 18 months following termination of employment (36 for divorce, death and dependent loss of eligibility). Continuation coverage will be terminated before the end of the maximum period if:

* any verification of COBRA Continuation coverage is not received on time,
* a qualified beneficiary first becomes covered, after electing continuation coverage, under another group health plan that does not impose any preexisting condition exclusion for a preexisting condition of the qualified beneficiary,
* a qualified beneficiary first becomes entitled to Medicare benefits (under Part A, Part B, or both) after electing continuation coverage, or
* the employer ceases to provide any group health plan for its employees.

Continuation coverage may also be terminated for any reason the Plan would terminate coverage of a participant or beneficiary not receiving continuation coverage (such as fraud).

**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. Each qualified beneficiary has a separate right to elect continuation coverage. For example, the employee’s spouse may elect continuation coverage even if the employee does not. Continuation coverage may be elected for only one, several, or for all dependent children who are qualified beneficiaries. A parent may elect to continue coverage on behalf of any dependent children. The employee or the employee's spouse can elect continuation coverage on behalf of all of the qualified beneficiaries.

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.

Finally, you should take into account that you have special enrollment rights 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?**

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 restrictions and more details. 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?**

You may contact your employer 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 the insurance provider.

**Should I continue my premium payments to the health plan if I am on COBRA?**

If you have already elected COBRA and make premium payments towards it, you will want to continue making those payments to the group health plan until you get an official letter from us than you have been approved for the COBRA premium subsidy. A non-payment on your COBRA coverage may prevent your health coverage from continuing. If you are approved for the subsidy, any premiums you have overpaid will be either credited to your bill by your health plan, or you may seek a refund.

**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 about the continuation coverage and your rights under the Plan is available in your summary plan description.

If you have any questions concerning the information in this notice, your rights to coverage you should contact your employer.

State and local government employees seeking more information about rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, should contact HHS-CMS at [www.cms.gov/Regulations-and-Guidance/Regulations-and-Guidance](http://www.cms.gov/Regulations-and-Guidance/Regulations-and-Guidance) or phig@cms.hhs.gov.

**Keep Your Plan Informed of Address Changes**

In order to protect your and your family’s rights, you should keep 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 the Plan and your employer.