



FULCRUM
RISK SOLUTIONS

Key Benefits Issues During Current Pandemic

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This Session

- Update on developments in Congress
- Discussion of common Qs & key issues
- *Your questions*

Update: New Stimulus Package

- Not yet finalized by Congress or signed by President
- Expected to include a number of relief provisions for individuals & businesses
- *Practical example:* OTC medications for FSAs, HRAs, HSAs
 - *Repeal of ACA rule; fully allowed without Rx*

Update: Families First COVID-19 Response Act

- Part 1: Emergency Paid Sick Leave Act
 - *Effective 4/2/20*
 - *Applies to employers with fewer than 500 EEs*
 - *Exception for certain health care providers or first responders*
 - *Provides up to 80 hrs (FT) or equivalency (PT) for EEs unable to work because of 6 specific COVID-19 related reasons*
 - *Caps on available amounts; funded by ER tax credit*
 - *Additional guidance coming from DOL*

Update: Families First COVID-19 Response Act

- Part 2: Paid FMLA
 - *Effective 4/2/20*
 - *Applies to employers with fewer than 500 EEs*
 - *Applies to EEs who have worked 30 days or more*
 - *Exception for certain health care providers or first responders*
 - *Designed to assist EEs with school & child care related COVID-19 issues if EE cannot work or telework*
 - *Caps on available amounts; funded by ER tax credit*

Update: Families First COVID-19 Response Act

- Additional provisions
 - *Group medical plans must cover COVID-19 testing & treatment*
 - *Coverage of COVID-19 testing & treatment (& now telemedicine option without copay) will not impact HSA bank account eligibility for HDHP participants*

Key Issue #1: Current Benefit Elections

- In effect until there is a change in eligibility or other qualifying event
 - *Difference in elections paid pre-tax vs. post-tax*
- No specific relief announced by IRS for Section 125 plans
 - *No recognized QEs for reduction of hours or reduction in pay not affecting eligibility*

Key Issue #2: Eligibility Scenarios

- Active status
- Termination of employment
- Leave of absence (paid or unpaid)

Eligibility: Best Practices

- Know what the document (plan SPD) states for each individual benefit
- Ensure that eligibility is administered consistently with SPD
- For health insurance, consider ACA requirements
- Consider any carrier contract provisions

Active Status

- No change in eligibility unless reduction of hours
- Employer may elect to maintain status quo
- Employer may elect to modify benefits offered
- Employer may elect to change contributions
(*which could trigger QE*)

Leaves of Absence

- Two initial questions:
 - *Paid or unpaid*
 - *FMLA or non-FMLA*
- Assess leave policy, if applicable
- Communicate clearly with EE regarding leave details
 - employment status & how benefits to be handled
- Employer has options regarding how to handle premium payments & collection

Leaves of Absence *(cont.)*

- For unpaid leaves subject to FMLA (or employer policy), standard period is 12 weeks
- Be prepared to terminate coverage timely if EE does not return to work per plan provisions
- Note: Separate training webinar available on topic

Termination of Coverage: Best Practices

- Know what the document states for each individual benefit (plan SPDs)
- Ensure that termination of coverage is administered consistently with document
- *** Consider any carrier contract provisions (*fully insured plans*) or administrative agreement provision (*self-funded plans*) ***
- *Applicable Large Employers (ACA)*: Don't forget stability period requirement for group medical

COBRA

- COBRA applies to all "group health plans"
- If benefit is COBRA eligible, & if one of 7 triggering events applies, COBRA must be offered within 44 days (Election Notice)
- COBRA applies for up to 18 months unless special extension applies (disability; multiple qualifying events)
- *** Employer has options on assisting with premium cost

State Continuation

- Applies to employers not subject to COBRA
- Generally applicable only to group medical insurance
- South Carolina: Employee must have been employed and enrolled for at least 6 months; maximum coverage period 6 months
- *** Employer has options on assisting with premium cost

Q&A

You may submit Qs via Control Panel (“Questions”) now, or you may submit via email to your Fulcrum Risk Solutions contact at your convenience