



## Group Plan Options for COVID-19 Business Disruption Frequently Asked Questions (FAQ)

Updated: July 30, 2020

Governor DeWine recently announced policies suspending or modifying business operations to help stem the spread of COVID-19. In light of this announcement, we know your groups will have questions regarding continuing **health, dental, vision, life and disability** insurance coverage for their employees. To assist you, Medical Mutual has prepared the following FAQ.

Updates to this FAQ will be made as more guidance from local and federal governments and other agencies is made available.

- Q1. My plan is fully insured. If I lay off part of my workforce or reduce their hours in response to the COVID-19 crisis, can the company continue to cover those employees?**
- A. Yes. Through the later date of either the end of the state of emergency in Ohio declared by Governor DeWine or Sept. 30, 2020, for all fully insured product lines Medical Mutual is relaxing its requirement that employees must be actively working to be eligible for coverage and will allow you to cover laid-off employees, as long as you pay the monthly premium. Please note that you must offer this coverage on a uniform, non-discriminatory basis. In other words, you may not choose only certain people for whom you continue to pay premium.
- Q2. My plan is fully insured. If I have to lay off my entire workforce in response to the COVID-19 crisis, can the company continue to cover those employees?**
- A. If one person remains employed by the company and covered by the plan, e.g. the owner or a management employee, the company can continue to cover laid-off employees as long as premium is paid. Please note that you must offer this coverage on a uniform, non-discriminatory basis. In other words, you may not choose only certain people for whom you continue to pay premium.
- Q3a. If I lay off a significant part of my workforce today, will coverage extend until the end of the month?**
- A. If premiums have been remitted for the month in which employees are laid off, coverage will continue through the end the month as long as the Ohio state of emergency is in place.
- Q3b. How long do I have to cancel employees from my plan?**
- A. You have 30 days to cancel employees. Retroactive terminations beyond 30 days will not be honored.
- Q4. If my group's enrollment drops by more than 10% as a result of the COVID-19 situation, will my rates/premiums be subject to change?**
- A. Through the later date of either the end of the state of emergency in Ohio declared by Governor DeWine or Sept. 30, 2020, if the loss of enrollment is a result of the COVID-19 situation, rates and premiums will not be adjusted.
- Q5. Will Medical Mutual allow a special enrollment period for those who waived coverage for the current plan year?**

- A. Medical Mutual held a special enrollment period from March 24 through April 6, for any employee who had previously waived health coverage. This applied to fully insured groups, self-funded groups and MEWA's who chose to allow this special enrollment period. No additional special enrollment periods are planned at this time.

**Q6. What about continuation coverage if my plan is fully insured?**

- A. If your group is eligible for COBRA, as long as one person remains actively employed, employees may elect to continue coverage under COBRA using the normal notice and election procedure. If the plan has no active employees, the plan is considered terminated and COBRA is not an option. In that case, employees would have a special enrollment period to enroll in individual coverage or they could purchase short-term plans that are subject to medical underwriting.

If your group is not eligible for COBRA (for example, it employs fewer than 20 people), as long as one person remains actively employed, employees may elect to continue coverage under Ohio's state continuation statute for up to twelve months. Small employers should notify laid-off employees of this right at the time they are laid off. If the plan has no active employees, the plan is terminated and continuation is not an option. In that case, employees would have a special enrollment period to enroll in individual coverage or they could purchase short-term plans that are subject to medical underwriting.

**Q6a. How does the extended grace period for COBRA election and premium payments work?**

- A. On April 28, 2020, the Department of Labor (DOL) issued Employee Benefits Security Administration (EBSA) Disaster Relief Notice 2020-01, and on May 1, 2020, the DOL and the Internal Revenue Service issued a Final Rule, which extends COBRA grace periods for eligible plan participants. These grace period extensions apply retroactively to March 1, 2020, the effective date of the national emergency declared by the president. This extended grace period applies to both the COBRA election time frames, as well as monthly COBRA premium payments. The extended grace period will continue for 60 days after the end date of the national emergency.

**Q6b. Do the extended grace periods for COBRA election impact employees who may qualify for a special enrollment period for individual coverage?**

- A. No, employees still have only 60 days from loss of coverage to elect individual coverage. The COBRA election extension does not change the time frame for members to move to individual coverage under a special enrollment period.

**Q7. My plan is self-insured. If I lay off part of my workforce or reduce their hours or their pay in response to the COVID-19 crisis, can the company continue to cover those employees?**

- A. Yes. If Medical Mutual is your stop loss carrier, as long as you continue to pay administrative fees and claims costs, along with your stop loss premium, you may continue to cover laid-off employees even though they are not actively at work. Please note that you must administer the plan on a uniform, non-discriminatory basis. In other words, you may not choose only certain people for whom you continue to pay claims. If Medical Mutual is **not** your stop loss carrier, you should check with your stop loss carrier about covering laid-off employees who are not actively at work.

**Q8. My plan is self-insured. If I have to lay off my entire workforce in response to the COVID-19 crisis, can the company continue to cover those employees?**

- A. Yes, as long as one person remains actively employed by the group. If Medical Mutual is your stop loss carrier and you continue to pay administrative fees and claims costs along with your stop loss premium, you may continue to cover laid-off employees even though they are not actively at work. Please note that you must administer the plan on a uniform, non-discriminatory basis. In other

words, you may not choose only certain people for whom you continue to pay claims. If Medical Mutual is **not** your stop loss carrier, you should check with your stop loss carrier about covering laid-off employees who are not actively at work.

**Q9. What about continuation coverage if my plan is self-insured?**

A. If your group is eligible for COBRA, as long as one person remains actively employed, employees may elect to continue coverage under COBRA under the normal notice and election procedure. If Medical Mutual is **not** your stop loss carrier, you should check with your stop loss carrier about any rules it may have regarding minimum enrollment of active employees for stop loss coverage.

If the plan has *no* active employees, the plan is terminated and COBRA is not an option. In that case, employees would have a special enrollment period to enroll in individual coverage or they can purchase short-term plans that are subject to medical underwriting.

**Q10. If I have to terminate coverage for my employees in the middle of a month, will I receive a refund of my premium for the rest of the month?**

A. While your contract states that Medical Mutual will not refund a partial month's premium, given the gravity of the current situation, we will refund the proportional amount of premium should you terminate your coverage before the end of the month.

**Q11. My plan is self-insured with 100+ employees. If I have to lay off a significant portion of my workforce in response to the COVID-19 crisis, will I need to change to a fully insured arrangement?**

A. No, as long as the layoffs are temporary in response to the COVID-19 crisis.

**Q12. Will renewal rate actions be delayed as a result of the COVID-19 situation?**

A. No. Medical Mutual is fully operational, so renewals will be released on a timely basis. However, payment plans are being offered to assist customers on an as-needed basis.

**Q13a. In light of the COVID-19 crisis, can I get a grace period extension on paying my premium?**

A. Yes. Through the later date of either the end of the state of emergency in Ohio declared by Governor DeWine or Sept. 30, 2020, all fully insured group plans, individual plans, Medicare plans, stop-loss customers, MEWAs, and non-federal governmental health plans have the option of deferring premium payments, interest free, for up to 60 calendar days from the original premium due date. There are no additional extensions beyond the 60 days. If a group elects to defer payments and they are set up to have premiums paid via ACH, they must contact Medical Mutual at 1-800-384-2184.

**Q13b. If I fail to pay premiums within the extended grace period, will my group be cancelled retroactively?**

A. Yes, for example, if you are not able to pay your May 2020 premium by June 30, 2020, your coverage will be cancelled effective May 1, 2020.

**Q14. If I defer premium in an extended grace period, will my claims continue to pay?**

A. No, your claims will not pay during an extended grace period. Claims will pay when your account becomes current and the premium is paid.

**Q15. Is Medical Mutual able to offer help to employees who are losing their health insurance coverage after being laid off?**

A. Medical Mutual can offer individual short-term and ACA-compliant health insurance plans to those who have been laid off. Interested individuals should contact 1-844-606-5393 to speak with an advisor who can assist. They can also visit [MedMutual.com](http://MedMutual.com) to apply directly.

**Q16. How soon will coverage be effective for those who enroll in an ACA-compliant plan?**

A. For plans sold on the federal exchange (the marketplace), government rules require coverage take effect the first of the next month. For off-exchange policies, Medical Mutual will waive the normal special enrollment period procedures and allow applicants to obtain coverage that is effective the day after the loss of their employment. Please note that premium subsidies may be available for plans purchased on the federal marketplace. Premium subsidies are not available for off-exchange plans.

**Q17. How soon will coverage be effective for those who enroll in a short-term plan?**

A. Short-term plans can be effective the day after application submission provided the applicant passes underwriting.

**Q18. If the member has met or paid a portion of their deductible under their group coverage, will Medical Mutual apply a credit to their new individual plan deductible based on what they have already spent during the year?**

A. Yes, but only if the member's previous coverage was under a Medical Mutual group plan. If the member had coverage under another carrier, they can still enroll in a Medical Mutual individual plan, but they will start their new plan with \$0 applied toward the deductible.

**Q19. Will employees who are laid off temporarily as a result of COVID-19 concerns be permitted to rejoin the plan without a waiting period when they return to work?**

A. Yes. There will be no waiting period for current employees who are rehired by Sept. 30, 2020. New hires are subject to any waiting period the plan requires.

**Q20. Is Medical Mutual able to offer help to employees who are losing their life insurance coverage after being laid off as a result of the COVID-19 situation?**

A. Medical Mutual can offer conversion to all covered employees and dependents and portability to those with that feature. The conversion and portability forms are available from the employee's human resources department. A human resources representative must complete part of the form. Submission information is provided on the form. If employees have questions, they can contact us at 1-866-925-2542, option 2. Employers can obtain the forms on [MedMutualLife.com](http://MedMutualLife.com), by emailing [policyadmin@medmutual.com](mailto:policyadmin@medmutual.com), or by calling their Medical Mutual representative.

In addition, individual plans are available at <https://www.medmutual.com/For-Individuals-and-Families/Plans-Products/Life-Insurance.aspx>. These term life plans allow for coverage up to \$50,000. These plans are typically less expensive than conversion or portability options. There are no physicals or medical tests required though medical questions on the enrollment application must be answered to be approved for coverage. Refer to the link for full details regarding coverage availability, pricing and billing.

**Q21. How will employee-contributed or employee-pay-all specialty insurance be handled for employees who are laid off?**

A. If the employer can remit premiums as noted, coverage will continue along the same parameters as the health coverage. COBRA provisions under ERISA apply to dental and vision coverage. Voluntary life coverage is subject to conversion and portability features.

**Q22. How will current short-term disability recipients be handled in the event that some or all of the group short-term disability coverage is terminated?**

- A. Anyone receiving benefits under a disability plan will continue to receive those benefits subject to the terms of the policy even if the plan's benefits are terminated. Anyone within the coverage elimination period will also be covered even if the plan's benefits are terminated. Should the elimination period warrant a disability benefit, disability benefits will be paid subject to the terms of the policy.

**Q23. Will short-term disability benefits pay if someone is under a mandatory or voluntary quarantine?**

- A. Short-term disability benefits will not be paid solely due to a quarantine. Short-term disability benefits will pay as with any other illness, subject to the terms of the policy.

**Q24. How can I file a waiver of premium claim for my life insurance coverage or short-term disability claim?**

- A. Waiver of premium is a feature in many policies that maintains life coverage while waiving the premium for life insurance, employee or employer paid, due to a total disability. If someone is expected to be out due to total disability, a waiver claim should be explored and initiated. Both waiver and short-term disability claims and inquiries can be directed to 1-866-925-2542, option 1 for claims.