

Benefit Plan Continuation

Faced with the current work environment and, in some cases, staff reduction, furlough's and closure of companies, we felt it was important to provide a roadmap of possible solutions for the continuation of health plan benefits for valued employees. The following information is based upon the current status, State and Federal regulations, and carrier administrative requirements. We cannot provide you legal advice. You should consult your legal and financial advisors as to the appropriateness of any of these options.

In the attached information (<https://blog.pacificsource.com/home/covid-19-updates/employer-fully-insured/>) from Pacific Source Health Plans, there is reference to periods of times to which coverage can be extended to. For example, it is stated that extension of coverage may be continued to June 30, 2020. In fact, that period of time may be extended further by the carrier depending upon how rapidly Oregon employers are allowed to return to work.

There are various rules depending upon the reason for a **possible loss of coverage including Reduction in Hours, Lay Off, Leave of Absence (LOA), and Furlough**. For clarification, LOA is generally a request by an employee for time off that may or may not be granted by an employer. Furlough is employer driven and anticipates that the employee will be returning to work at some point in the future.

In addition to extensions of group coverage allowed under these rules, please remember the Bend Chamber Health Plans are considered to be large group regardless of the size of

the participating employers. As a large group all employees who have an involuntary loss of coverage may elect to continue the group coverage under the rules of COBRA Continuation. This a federal law that generally allows up to 18 months extension of coverage. It is important to note that the reason for continuation is the **INVOLUNTARY** loss of coverage, not simply a decision to drop the coverage that you are still entitled to through your employer. **Please refer to the following link to review COBRA continuation information and rules.** (<https://psa.pacificsource.com/PSA/>)

In some cases employees may be entitled to obtain coverage though an individual policy issued by insurers in Oregon through the Insurance Exchange and apply for a premium subsidy based upon income. Timeliness of application following loss of employer sponsored coverage is critical. Additionally, employees may qualify based upon their income levels for coverage under the Oregon Health Plan. Please reference this link for more information. (<https://www.oregon.gov/oha/hsd/ohp/pages/index.aspx>)

For assistance in these regards please contact your appointed agent or call Johnson Benefit Planning, the consultant to the Chamber of Commerce Health Plans, indicated below:

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Review of Enclosed Links:

- Employer Group Plan Provisions Fully Insured FAQ: <https://blog.pacificsource.com/home/covid-19-updates/employer-fully-insured/>
- COBRA Continuation information and rules: <https://psa.pacificsource.com/PSA/>
- Oregon Health Plan: <https://www.oregon.gov/oha/hsd/ohp/pages/index.aspx>