

FAQs about Changes to UC Benefits Programs for Pandemic Relief Revised 11/30/20

Q: What relief is being offered to UC benefits participants and why?

A: In response to the COVID-19 pandemic, the Departments of Labor and Treasury issued regulations extending the time periods during which participants may take certain actions relating to their group health plan coverage, including submitting claims for coverage, electing and paying for COBRA continuation coverage, enrolling in group health plan coverage under HIPAA special enrollment rights, and filing appeals for adverse benefit determinations. The rule, hereafter referred to as the “Extension Rule,” is published in the [Federal Register](#).

Specifically, the rule provides that the “Outbreak Period” - defined as the period beginning March 1, 2020 and ending 60 days after the date on which the federal government declares the COVID-19 national emergency has ended - will be disregarded with respect to certain plan deadlines. Therefore, ***if a qualifying event occurs during the Outbreak Period, the amount of time allowed for participants to take action allowed by the qualifying event begins at the end of the Outbreak Period.*** Please note that the end date of the National Emergency has not yet been determined.

The new rule applies to employee health and welfare group plans governed by a law referred to as ERISA. Although UC’s plans are not subject to ERISA, we have made an effort to comply with ERISA regulations where possible and applicable. Since the intent of the new rules are to provide relief to participants adversely affected by the COVID-19 pandemic, UC will apply the rules to the following ERISA-like plans:

- Medical (excluding UC Medicare plans)
- Dental
- Vision
- Basic & Voluntary Disability (for claims-related provisions only, not enrollment)
- Life/AD&D (for claims-related provisions only, not enrollment)
- Health Flexible Spending Account

Please note that the DepCare FSA, Supplemental Health Plans and Legal plan are ***not*** included in the Extension Rule.

In addition, two guidance documents were issued after the rule described above, which allow employers, at their discretion, to:

- Expand employees’ opportunities to make changes to their Section 125 benefit plans, which for UC includes the medical plans and the Health and Dependent Care (DepCare) Flexible Spending Arrangements during the 2020 plan year ([Notice 2020-29](#)), and
- Increase the amount that can be carried forward to the next plan year under the Health FSA ([Notice 2020-33](#)).

UC has chosen to follow these guidelines in order to offer employees and non-Medicare retirees relief during the pandemic.

Q: To whom do the pandemic relief provisions apply?

A: The pandemic relief provisions apply to benefits-eligible UC employees and non-Medicare retirees. Due to Medicare regulations, the provisions do not apply to retirees enrolled in Medicare plans.

Making Changes to Your Benefits Elections

Q: Under what circumstances can I make changes to my benefit plans?

A: There are two types of pandemic relief provisions.

First, under the Extension Rule, if any of the following events occurred on or after March 1, 2020, employees and

non-Medicare retirees can make changes as listed below.

- 1) Did you add a family member, through marriage, establishment of a domestic partnership, birth, adoption, or placement for adoption?
- 2) Did you lose medical coverage?
 - a) Non-UC coverage may have been lost due to:
 - i) Change in employment status of employee's family member resulting in loss of coverage, such as loss of eligibility or employer contributions terminated
 - ii) Divorce/legal separation/termination of domestic partnership
 - iii) Death of a family member
 - iv) Aged out of parent's plan
 - v) COBRA exhaustion
 - vi) No longer eligible for Medicaid or CHIP
 - b) UC coverage may have been lost due to:
 - (a) Move out of/return to medical and/or dental HMO plan Service Area
- 3) Did you become eligible for Medicaid or the CHIP Premium Assistance Program?

If you responded "Yes" to any of the above questions, you have an opportunity to enroll in, cancel or make changes to the following plans:

- Medical (excluding Medicare plans)
- Dental
- Vision
- Health Flexible Spending Account (note the DepCare FSA is *not* included)

You may make changes triggered by the above events until 31 days after the end of the Outbreak Period. You will be allowed one opportunity per event to make changes (that is, you cannot make changes multiple times during the extended deadline period).

Second, under Notice 2020-29, if you responded "No" to the above questions, and you are an employee or a non-Medicare retiree, you have one opportunity to enroll in, cancel or make changes to the following plans **for the 2020 plan year (ending December 31, 2020)**:

- Medical
- Health FSA
- DepCare FSA

If you want to terminate medical plan coverage, note that for all plans except CORE, you will need to certify in writing (using [UBEN 230 form](#)) that you are enrolled/enrolling in other medical coverage.

Q: When can I make changes under the pandemic relief provisions?

A: Eligible individuals may begin requesting changes under both as of June 1, 2020. The end date for changes under Notice 2020-29 was originally set as October 28, 2020, but was extended **to the end of the plan year, December 31, 2020**. As stated above, the end date for changes under the Extension Rule is dependent on the end date of the National Emergency. See a [graphical representation of the timelines](#) under the Extension Rule and Notice 2020-29.

Q: How do I make changes?

A: For employees will need to contact the UCPath Center to request the changes. You will be asked a few questions to determine to which plans you are eligible to make changes.

Here are the steps you will need to follow:

- Log in to [UCPath online](#)
- From the home page, select Ask UCPath Center
- On the menu bar, select My Inquiries or Submit an Inquiry.
- From the inquiry page select:
 - Topic = Benefits
 - Category = Benefits Election Inquiry
 - Type Subject = Request COVID-19 Event
 - Type Description = In this box, please provide answers to the following questions:
 1. Did you add a family member, through marriage, establishment of a domestic partnership, birth, adoption, or placement for adoption?
 2. Did you lose medical coverage (for example, loss of coverage through your spouse/domestic partner or parent, moved out of the HMO service area, or became ineligible for Medicaid/CHIP)?
 3. Did you become eligible for Medicaid or the CHIP Premium Assistance Program?

Please number your answers, for example:

1. Yes
2. No
3. No

The answers will determine what type of COVID-19 event will be opened for you. Even if you answer “No” to all questions, you will be able to make changes to your medical, Health FSA and DepCare FSA elections.

You will receive an email notifying you when the event has been opened and you can log in to UCPath to make your desired changes. After making changes, you will receive a confirmation email.

Once the event is opened, you will have 31 days to log into the UCPath portal and make changes. The event will close automatically after 31 days if no action is taken.

For non-Medicare retirees, a UPAY100 form must be submitted to the Retirement Administration Service Center (RASC).

Q: When will benefit election changes go into effect?

A: The effective date of coverage will be:

- For changes made under the Extension Rule (HIPAA Special Enrollment Rights events), retroactive to date of the event. You will be responsible for retroactive premiums owed.
- For all other changes to elections:
 - For UCPath, the first of the month following the date the event was opened, not the date you make changes. For example, if UCPath opens the event on June 25th and you make changes on June 26th, the changes will go into effect prospectively on July 1st. If you make changes on July 2nd, the changes will go into effect retroactively on July 1st. The date of the changes is subject to payroll deadlines.
 - For non-Medicare retirees, changes will go into effect prospectively on the first of the month following form submission, subject to payroll deadlines.

Q: How many times can I make changes to my plans during this period of pandemic relief?

A: You may make changes once. However, should you have more than one HIPAA Special Enrollment Rights event, you are allowed one opportunity to make changes per event.

Changes to Claims Submission Deadlines

Q: For what types of claims are claim-filing deadlines extended, and for how long?

A: Claim-filing deadlines are extended for the following types of claims:

- Medical claims for services
- Dental claims for services
- Vision claims for services
- Disability benefit claims
- Health FSA claims for reimbursement
- Life/AD&D claims

In addition, deadlines for filing claim appeals, requesting external review and filing information related to external reviews are extended.

The deadline for all of the above claims transactions are extended until the allowed number of days after the end of the Outbreak Period (i.e., the end of the National Emergency + 60 days + the amount of time normally allowed for that transaction). The deadlines will vary depending on the typical deadlines set by the carrier/plan administrator.

Changes to Flexible Spending Accounts

Q: Can I still submit FSA claims for expenses incurred in 2019?

A: For Health FSA claims, yes. The new filing deadline for Health FSA claims will be 45 days after the end of the Outbreak Period.

For DepCare claims, no. Unfortunately, the grace period for DepCare claims for the 2019 plan year was not extended by the new rule.

Q: Do the new rules allow me to use remaining 2019 Health FSA or DepCare funds to pay for expenses incurred in 2020?

A: No.

Q: My child's daycare center closed due to the pandemic. Can I decrease my DepCare election since I am not using daycare services?

A: Yes. Based on the Notice 2020-29 relief, you are permitted to revoke (cancel) or change your annual election amount on a prospective basis. If you **reduce** your contribution, you may still incur and get reimbursed for eligible expenses for the remainder of the plan year and the grace period. If you decrease your election, your new election amount cannot be lower than the amount you already contributed. If you **cancel** your DepCare participation, you will not be able to submit claims for reimbursement for any expenses incurred this year after your cancellation date. Changes to 2020 participation cannot be made after the end of the 2020 tax year.

Q: I elected to participate in DepCare so that I could pay for my child's summer camp on a pre-tax basis. The summer camp has been canceled, and I have no other DepCare expenses. Can I get a refund of the amounts I have contributed so far this year?

A: IRS rules do not allow refunds of contributions. Unfortunately, the rule and guidance issued by the IRS do not offer relief for this situation.

Q: Can I decrease my Health FSA election for this year? My surgery was postponed so I do not have the health care expenses I anticipated when I chose my contribution amount for the year.

A: Yes. You are permitted to **decrease** your Health FSA election as long as your new election amount is not lower than your year-to-date deduction or the amount already reimbursed for expenses incurred this year. You can also revoke (cancel) or increase your annual election. Note that if you **cancel** your participation, you will not be able to submit claims for reimbursement for any expenses incurred this year after your cancellation date. Changes to 2020 elections cannot be made after the end of the 2020 tax year.

Q: I did not enroll in the Health FSA or DepCare during Open Enrollment for 2020. Can I enroll now?

A: The original end date for changes was set as October 28, 2020 to elect to participate in the Health FSA or DepCare. After that date, enrollment changes are dependent on payroll deadlines. Changes to participation cannot be made after the end of the 2020 tax year (**December 31, 2020**).

Q: How much of my Health FSA funds can I carry forward to 2021?

A: The maximum unused 2020 Health FSA amount that can be carried forward to the 2021 plan year will increase from \$500 to \$550.

Q: What happens to my Health FSA or DepCare if I get laid off or terminated?

A: Health FSA participants can elect to continue participation through COBRA if you have a remaining balance in your account. If you have no remaining funds, your participation will end at termination. If you do not elect to continue participation through COBRA, expenses incurred after the termination date are not eligible for reimbursement, even if you have funds remaining – the remaining funds are forfeited.

DepCare enrollment ceases upon termination. You cannot submit claims for expenses incurred after the date of termination.

Q: My Health FSA debit card was suspended in March because I did not submit documentation in support of the charges I paid with the card. Now my card has been reactivated. Do I still need to submit documentation for the unresolved transactions?

A: Yes. While the debit card substantiation deadline has been extended until 60 days after the end of the Outbreak Period, you are still required to provide documentation for unresolved transactions. If documentation is not received by the new deadline, your card will be deactivated again.

COBRA Changes

Q: Which COBRA deadlines are affected by the pandemic relief provisions?

A: The Extension Rule extends the deadline for all of the following events:

- 60-day election period
- 45-day initial premium payment deadline
- 30-day grace period for monthly COBRA payments
- 60-day period for individuals to provide notice of a qualifying event to employer, or notice of a disability to plan administrator

Q: Do I have an extension to elect COBRA?

A: If your election deadline falls into the “Outbreak Period,” your election period is extended for an additional 60 days after the end of the Outbreak Period. The extension does not apply to deadlines ending prior to March 1, 2020.

Example 1: Assume the end of the Outbreak Period is June 30, 2020. Jenny is terminated on Feb 20, 2020 and Jenny’s COBRA package is mailed on March 1st, 2020. Jenny’s 60-day COBRA election period would normally end on April 29, 2020 but since that date falls within the Outbreak Period, Jenny has until August 29, 2020 to elect COBRA continuation because the election period is extended for 60 days after Outbreak Period.

Example 2: Assume the Outbreak Period ends on June 30, 2020. Mary has a qualifying event on January 31, 2020 and normally would be required to make her COBRA election no later than March 31, 2020. However, due to the new rule, the clock stopped on March 1st. Mary's new deadline to submit her election is July 31, 2020 (60 days after the end of the Outbreak Period, minus the 29 days of the typical enrollment period that already elapsed).

Q: Do I have an extension to submit COBRA payments?

A: Yes, if your premium payment grace period falls into the "Outbreak Period," your grace period is extended for an additional 30 days. The extension does not apply to deadlines ending prior to March 1, 2020.

Example: Assume the end of the Outbreak Period is June 30, 2020. John is enrolled in COBRA and made his payment through March 31, 2020. He has not remitted April's premium during the 30-day grace period. Since his grace period falls into the Outbreak Period, John has until July 30, 2020 to make the April, May, June and July premium payments because the grace period is extended for 30 days after the Outbreak Period.

Q: Will I still have COBRA coverage while my payments are pending?

A: If you need to take advantage of the extended deadline for premium payment, you must contact WageWorks and request that your coverage be continued during the Outbreak Period. If you do not contact WageWorks and do not pay your premium, WageWorks will cancel your coverage. This is because non-payment of premium past the usual deadline is an acceptable method of terminating COBRA coverage. When you request the extended deadline under the new rule, WageWorks will keep your COBRA coverage active.

Q: What if I have a qualifying event to add or delete a dependent?

A: The notification requirement deadline to inform the plan sponsor/administrator of a qualifying event is also being extended.

Example 1: Assume the end of the Outbreak Period is August 31, 2020. Ed is currently enrolled in coverage through COBRA with his spouse Nancy. Ed and Nancy divorce on April 2, 2020. Typically, Ed has to notify the plan sponsor/administrator within 60 days so that a COBRA package is offered to Nancy. However, the notice requirement deadline is disregarded through the Outbreak Period. Therefore, Ed has until October 30, 2020 to notify the plan sponsor/administrator of his divorce.

Example 2: Assume the end of the Outbreak Period is August 31, 2020. Tiffany is an existing COBRA member and has a baby on May 2, 2020. Since the 60-day notice requirement is disregarded during the Outbreak Period, Tiffany has until October 30, 2020 to add her newborn to the plan. Coverage would be retroactive to the baby's date of birth.

Q: Can I stop my coverage for one month since my provider's office is closed?

A: No. While COBRA coverage is month-to-month (i.e., you can stop it at any time), it is also continuous. If your coverage is canceled (for example, due to non-payment of premiums) it cannot be reinstated.

Q: Can I use health savings account (HSA) funds to pay my COBRA premiums?

A: Yes, you can use HSA funds to pay COBRA premiums.

Q: Can I decline COBRA and enroll in Marketplace coverage?

A: Yes. Enrollment in Marketplace coverage (i.e., individual coverage offered under the Affordable Care Act, such as by Covered California) is limited to the open enrollment period (generally, November 1 to December 15) and to situations of special enrollment. Loss of job-based coverage creates a special enrollment right, as does the end of the full 18-month COBRA period; however, you may need to elect within 60 days of losing job-based coverage.

Information on Marketplace coverage is available at www.coverdca.com (for California residents), HealthCare.gov, or by calling 1-800-318-2596 (TTY 1-855-889-4325).