



March 25, 2020

Capital BlueCross: COVID-19 Guidance for Employer Groups

Group coverage

Q. If I lay off all or part of my workforce in response to the COVID-19 crisis, can the company continue to cover those employees?

A: Yes. Your group's health plan sets eligibility requirements that determine who may be covered. Capital BlueCross' requirement that employees must work at least 20 hours per week to be covered is being waived for current groups. If your plan permits coverage to continue during a layoff, your employees should be covered during the COVID-19 crisis, as long as:

- At least one common law employee (an employee who is not the owner or the owner's spouse or dependent) remains actively employed
- Coverage is offered on a uniform, nondiscriminatory basis to all employees
- Premium or fee payments are kept current

Q. If I have to lay off my entire workforce in response to the COVID-19 crisis, is Capital BlueCross able to offer other coverage to those employees?

A: Yes. If employees are laid off and employer-sponsored coverage has been lost, Capital BlueCross can offer individual plans. These individuals may email heretohelp@capbluecross.com or call **833.550.7867** to get help finding a plan that best suits their needs. Our team can help these customers determine if they're eligible to receive a government subsidy to help pay for their health plan or if they qualify for Medicaid. For those members over age 65, we can help them secure Medicare coverage, too. Alternatively, if your group is subject to COBRA, you should contact your COBRA administrator to determine whether your employees may be able to continue coverage under COBRA.

Q. How soon does coverage become effective for members who enroll in an individual, ACA-compliant plan?

A: In most cases, coverage will begin on the first day of the following month. Those interested in an individual plan may email heretohelp@capbluecross.com or call **833.550.7867** to get help finding a plan that best suits their needs. Our team can help these customers determine if they're eligible to receive government subsidy to help pay for their health plan or if they qualify for Medicaid. For those members over age 65, we can help them secure Medicare coverage too.

Q. Will my group have COBRA continuation coverage?

A: Capital BlueCross does not administer COBRA Coverage. You should contact your COBRA administrator to determine whether your employees may be able to continue coverage under COBRA.

Q. If I lay off part of my workforce today, will coverage extend until the end of the month?

A. Yes. Coverage would extend to the end of month for which premium or fees were paid, unless otherwise agreed between the group and Capital.

Q. Will Capital BlueCross allow coverage to extend beyond age 26 to dependent children whose coverage would otherwise have ended?

A. Upon a group's request, Capital BlueCross will extend coverage through May 31, 2020, to all dependent children who turn 26 before that date.

Q. If a group terminates and later wants to resume coverage, will the group be treated as new?

A. If there is a lapse in coverage, the group will be treated as new, but will not be subject to a new underwriting audit. A new 12-month contract will begin and accumulators will reset after the group pays all outstanding amounts due to Capital BlueCross.

Q. If a group's enrollment drops by more than 10% during the COVID-19 crisis, will my rates be subject to change?

A. We will not adjust rates for groups whose enrollment changes as a result of the COVID-19 crisis. If your group is up for contract renewal during this time, please contact your account executive to determine whether enrollment changes will impact your renewal.

Q. Will I have extra time to pay my invoices if I'm having financial difficulties resulting from the COVID-19 crisis?

A. Please contact your account executive to discuss your situation.

Q. 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 different product because I no longer qualify as a large group?

A: We will not require any changes of product in the middle of your contract period, but may reevaluate for your contract's next renewal date.

Stop loss

Avalon to Help ASO Employers Maintain Stop-loss Coverage for Employees Placed on Leave

To best support employers and their operations during this period of uncertainty due to COVID-19, Avalon will allow claims from laid off or furloughed employees to apply to an ASO group's stop-loss coverage as long as:

1. The laid off or furloughed employees are still covered by the ASO group's health plan.
2. The premium for ASO group's stop-loss policy is current (and inclusive of the premiums for those laid off/furloughed employees).
3. The ASO group treats all laid off or furloughed employees similarly in regard to coverage under its group health plan document and stop-loss policy; and
4. Documentation of these steps are provided to Avalon in advance of any claims.

*Note: We advise group administrators to consult with their own HR departments, legal counsel, and brokers to receive further information and guidance.

Please refer to the following FAQs for additional guidance.

Q. If an ASO group lays off or furloughs employees as a result of COVID-19, will Avalon apply claims for those employees toward the group's stop-loss coverage?

A. It depends. The ASO group needs to check its group health plan document to determine if the employees are eligible for medical benefits while furloughed. If the furloughed employees are still covered under the group health plan, then those members' claims can be applied toward the group's stop-loss benefits so long as the policy's premium payments are current (and inclusive of the premiums for those laid off/furloughed employees). If the group determines that the employees are not eligible for medical benefits under the group health plan document while furloughed, then those employees' claims cannot be applied to the group's stop-loss benefits regardless of whether premium payments are current.

Q. What if the ASO group would like to change the plan eligibility provisions in its underlying group health plan document in regard to employees furloughed due to COVID-19?

A. The ASO group may change eligibility provisions in regard to employees furloughed due to COVID-19 in its underlying group health plan document; however, the ASO group must provide Avalon with a copy of the change to the underlying coverage before the change becomes effective. In order for Avalon to approve the change, all furloughed employees must be treated similarly, all furloughed employees must be covered by the underlying group health plan document, stop-loss premium payments must be current, and the change must be limited to the period of the COVID-19 outbreak. Avalon reserves the right to adjust premium, if necessary, or decline the change and pay benefits under the stop-loss coverage as if the underlying coverage has not changed.

Q. What if the ASO group's stop-loss premiums are not paid in full and it wants its stop-loss coverage to continue covering employees furloughed due to COVID-19?

A. In this circumstance, the ASO group needs to bring its stop-loss coverage premiums current and ensure that its group health plan document continues to provide coverage for medical benefits while the employees are furloughed.

Q. What if an ASO group furloughs employees as a result of COVID-19 and that furlough results in an enrollment variation that is a decrease of 10% or more when compared with the ASO group's initial enrollment?

A. Under these circumstances, Avalon will not change premiums as long as the ASO group continues to pay its stop-loss premium on time.

Q. What happens if an ASO group furloughs employees and they are no longer covered under the group health plan document?

A. If the furloughed employees are no longer covered under the group health plan, then those furloughed employees are also no longer covered by the ASO group's stop-loss policy.