



LOCAL GOVERNMENT HEALTH INSURANCE BOARD

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Michael Gillespie
Chairman

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March 31, 2021

MEMORANDUM

TO: Local Government Units

FROM: James J. Bradford, COO
Local Government Health Insurance Board

SUBJECT: American Rescue Plan Act

The American Rescue Plan Act (ARPA) was signed into law by President Joe Biden on March 11, 2021. One provision of the ARPA provides a 100% subsidy for COBRA continuation coverage to “assistance eligible individuals” (AEI). AEIs include any current or former employee, including their spouse and dependent children, whose reduction of work hours or involuntary termination caused the loss of Local Government Health Insurance Plan (LGHIP) coverage (Blue Cross and Blue Shield medical and/or Southland vision and/or dental) from November 1, 2019 to the present. Other qualifying events, such as voluntary termination, death of a covered employee or a dependent aging out, do not qualify for the subsidy.

The subsidy is available from April 1, 2021 – September 30, 2021, regardless of whether the right to COBRA coverage began before April 1, 2021 or ends after September 30, 2021. However, if an AEI’s COBRA coverage ends before September 30, 2021 or if the AEI becomes eligible for another group health plan during this period, the AEI must notify the LGHIB of such eligibility and the subsidy for that individual will end. The ARPA does not extend the amount of months COBRA continuation coverage is available. This subsidy is available to AEIs whether or not they elected COBRA coverage at the time of the qualifying event or if COBRA coverage was elected and later allowed to lapse. If the AEI did not elect COBRA coverage at the time of the qualifying event and elects COBRA pursuant to the ARPA, COBRA coverage may be prospective without the AEI having to elect and pay for coverage retroactively for months prior to the subsidy becoming available.

AEIs who elect coverage will not be responsible to pay any portion of the COBRA premium from April 1, 2021 – September 30, 2021. Rather, employers will be required to pay for coverage during this period. Employers that comply with applicable reporting requirements will be eligible to receive refundable tax credits equal to the premiums that AEIs would have paid for COBRA coverage. The credit will be provided by the Treasury Department through a reduction of Medicare payroll taxes.

The ARPA requires certain federal agencies to provide a model notice within 30 days of the enactment of the Act. In addition, these agencies will be providing ARPA guidance. The Local Government Health Insurance Board (LGHIB) will provide notice to all AEIs once this model language has been provided. The LGHIB will also review the upcoming guidance and provide more information to local government units.

In order for the LGHIB to provide AEIs the required notice by the deadline in the ARPA, each unit must submit a certification to the LGHIB on or before April 23, 2021, of all former

employees who were involuntarily terminated or current or former employees who experienced a reduction in work hours which caused the employee to no longer be eligible for LGHIP coverage from November 1, 2019 to the present (using the form included in this memo). For your convenience, you can email enrollments@lghip.org and request a secure email from the LGHIB be initiated. Once you login to view the secure email from the LGHIB, you can reply to it and attach your certification. If no employees have been involuntarily terminated or suffered a reduction in hours that caused the current or former employee to no longer be eligible for LGHIP coverage, you must still complete the certification and return it to the LGHIB on or before April 23, 2021. You may also return the certification to the LGHIB by mail or you may fax it to the LGHIB at 334-263-8526.

If you should have further questions, please contact the LGHIB at the number listed above.

Certification of Assistance Eligible Individuals

In the table below, please list all former employees of the local government unit who were involuntarily terminated or current or former employees of the local government unit who experienced a reduction in hours causing the employee to lose LGHIP coverage (medical, dental and/or vision) from November 1, 2019 to the present. If you need additional space, please provide the same information on a separate page.

Name	Last 4 of SSN	Involuntary Termination/Reduction of Hours	Date

I certify the above named current or former employee(s) have experienced a reduction in hours causing the loss of LGHIP coverage or was involuntarily terminated from November 1, 2019 to the present.

Name of Local Government Unit

Unit Number

Name of Unit Administrator

Signature of Unit Administrator

Date