

COBRA BENEFITS

MAY 2021

DOL Issues ARPA COBRA Subsidy Model Notices, FAQs

On April 7, 2021, the Department of Labor (DOL) issued [FAQs](#) and [model notices](#) for the COBRA premium assistance provisions of the [American Rescue Plan Act](#) (ARPA). The ARPA provides a 100% subsidy for employer-sponsored group health coverage continued under COBRA and similar state continuation coverage programs for eligible individuals. The subsidy applies from April 1 through Sept. 30, 2021. The notices and the FAQs appear on a new DOL [webpage](#) dedicated to the ARPA COBRA subsidy.

Model Notices

The DOL released the following new model notices:

- Model General Notice and COBRA Continuation Coverage Election Notice: [Word](#) | [PDF](#)
- Model Notice in Connection with Extended Election Period: [Word](#) | [PDF](#)
- Model Alternative Notice: [Word](#) | [PDF](#)

- Model Notice of Expiration of Premium Assistance: [Word](#) | [PDF](#)
- Summary of COBRA Premium Assistance Provisions under the American Rescue Plan Act of 2021: [Word](#) | [PDF](#)

Plans may use these DOL model notices to meet their notice obligations under the ARPA COBRA subsidy provisions.

FAQs

The DOL guidance contains 21 FAQs on topics such as eligibility, elections, notice requirements and duration of the subsidy. Notably, the FAQs state that prior federal COVID-19-related relief for plan deadlines does not apply to notice or election periods set forth in the ARPA provisions about the COBRA subsidy. However, an individual may elect COBRA from an earlier qualifying event if the individual is eligible to make that election, including under the extended time frames provided under that relief.

Consolidated Appropriations Act and Mental Health Parity FAQs

The [Consolidated Appropriations Act, 2021 \(CAA\)](#) amended the Mental Health Parity and Addiction Equity Act of 2008 (MHPAEA) to provide additional protections. On April 2, 2021, the DOL, Health and Human Services (HHS) and the Treasury jointly issued [FAQs](#) to clarify these amendments.

In particular, the CAA requires group health plans and health insurance issuers to conduct **comparative analyses of the nonquantitative treatment limitations (NQTLs)** used for medical and surgical benefits as compared to mental health and substance use disorder (MH/SUD) benefits. The comparative analyses, and certain other information, must be made available

upon request to applicable agencies **beginning Feb. 10, 2021.**

The FAQs address the following:

- When plans and issuers must make their NQTL comparative analyses available;
- What information plans and issuers must make available;
- Reasons why documentation of comparative analyses of NQTLs might be insufficient;
- What types of documentation should be made available; and
- What actions the Departments might take for noncompliance.