

ThrivePass

COBRA DECISION ENABLEMENT

This article highlights The American Rescue Plan Act (ARPA) and provides an overview of:

- The new COBRA legislation and what it means for individuals
- The ThrivePass COBRA Decision Enablement tool
- Decision Enablement's impact on federally-backed subsidies
- Decision Enablement's solution toward cost-savings and the best healthcare options for your employees

The Legislation

The American Rescue Plan Act (ARPA), passed March 11th, 2021, establishes:

Eligible individuals will qualify for a 100% COBRA premium subsidy during the period of April 1, 2021 through September 30, 2021. Eligibility for the subsidy includes former employees (and their eligible dependents) who lose coverage due to an involuntary termination of employment or reduction in hours. The subsidy also applies to individuals who have already elected COBRA and are still enrolled as of April 1, 2021. Individuals who are eligible for another group health plan or Medicare are not eligible to receive the ARPA subsidy.

The Federal Government created the largest expansion of the Affordable Care Act (ACA) since its inception due to a major increase in subsidies. As a result, ACA marketplace premium subsidies are substantially enhanced for up to two years for people at every income level. For the first time it will be offered to those with income above 4 times the federal poverty level (FPL). All middle- and upper-income individuals who purchase their own coverage can access premium tax credits (PTCs) if their premiums exceed 8.5 percent of their overall household income. Individuals who are already eligible for PTCs will receive higher subsidies. For example, those with incomes from 100 to 150 percent FPL are newly eligible for no-premium coverage and contribute no income toward premiums for a silver benchmark plan.

Those who receive unemployment benefits in 2021 can receive a benchmark Silver health plan for free and enjoy cost-sharing reductions through the marketplace.



The Tool

On average, COBRA participants cost employer's plans \$10,000 per year (after premiums), and COBRA coverage costs participants around 27% more than plans available through the Federal and State Marketplaces.

That's where ThrivePass's COBRA Decision Enablement comes in. Decision Enablement is a platform that recommends the best available plan for participants—whether that's through COBRA or the Federal and State Marketplaces. Recommendations are based on the total cost of all possible plans for the participant, including premiums and out of pocket expenses. Oftentimes, that's not the COBRA plan.

Decision Enablement is a first-to-market tool that simplifies a complex decision and accounts for any applicable employer and federal subsidies. Participants will be able to compare multiple low-cost or even free marketplace options alongside their subsidized COBRA coverage side-by-side within a single, integrated portal.

The Impact

The decision to elect COBRA Continued Coverage is more complicated with the expansion of federally-backed subsidies. ThrivePass's recommendation engine compares plan premiums and costs to make health coverage decisions easier for individuals and families.

ThrivePass is positioned to support second qualifying events for individuals who are eligible for the 6-month COBRA premium subsidy. We will notify members of the end of their federal subsidy and their options to enroll into the marketplace where they may be eligible for significant cost savings.

Even if an individual is eligible for the COBRA federal premium subsidy, they might also be eligible for a marketplace plan with better coverage at zero cost.

The Solution

When the ARPA COBRA subsidy ends on September 30th, ThrivePass will contact COBRA qualified beneficiaries to provide them with options for continued health coverage.

Individuals who are not eligible for a COBRA federal subsidy will likely find that the marketplace gives them the most cost-effective options for health coverage as compared to their COBRA plan.