



COLORADO

**Department of
Regulatory Agencies**

Division of Insurance

Small and Large Employer FAQs

As the State of Colorado is taking a series of actions to mitigate the spread of Coronavirus disease 2019 (COVID-19), businesses of all sizes are feeling the economic impacts. During this public health crisis, health insurance coverage is more important than ever - for you, for your employees, and your fellow Coloradans.

As a small or large employer, you can continue to provide health insurance coverage for employees who aren't working or have their hours reduced related to COVID-19. Depending on the size of your company (the number of employees), and whether you have commercial insurance or you self-fund health insurance benefits, your employees will be eligible for continued coverage either through the Consolidated Omnibus Budget Reconciliation Act (COBRA) or through Colorado State Continuation Coverage.

- **COBRA** - If you have 20 or more employees, whether you have commercial insurance or are self-funded, your employees can elect to continue their coverage under COBRA, a federal law. COBRA is available regardless of how long the employee has been covered under your plan, and allows health insurance coverage to be extended from 18 to 36 months, depending on your employee's circumstances.
- **Colorado Continuation Coverage ("Mini-COBRA")** - If you have fewer than 20 employees, you will be able to continue health insurance coverage through Colorado's continuation laws (or "mini-COBRA"). Colorado continuation applies to all fully-insured commercial insurance products, and allows employees to continue coverage for 18 months. It does not apply to self-funded or federal plans.

The Colorado Division of Insurance (Division, or DOI) recently released [Bulletin B-4.105, Policy Directives for Small and Large Group Health Benefits Plans Related to COVID-19](#), directing insurance companies to take actions that will allow employers to continue coverage during this emergency period. The following FAQs provide additional guidance for commercially insured employers, to help you best meet the needs of your business and your employees.

1. Can I continue health insurance coverage for my employees if I have to lay-off or furlough staff or reduce their working hours as a result of business closures related to COVID-19? Can I pay for their continued coverage?

Yes, you can continue to provide health insurance coverage for employees who aren't working or have their hours reduced related to the COVID-19 emergency. You will need to check your current health insurance policy and talk to your insurance carrier to determine the steps you and/or your employees need to take to ensure coverage is continued without interruption.

If you have employees that have been sent home and are not currently working (i.e., they have been furloughed or laid off), or who have had their normal working hours reduced, you should contact your carrier to request accommodations that will allow you to continue their health insurance coverage. Your policy may currently contain provisions that would limit or restrict coverage, such as:

- Minimum employee participation requirements, which dictate the number of employees that are required to participate in the plan;
- Employer and employee contribution requirements, which specify the premium amounts that you and/or your employee must pay (in many cases, these costs are shared between employers and employees);

- Minimum number of employee work hours required for benefit eligibility, which require employees to meet a certain hourly threshold (i.e., 30 hours/week) to qualify for coverage;
- Waiting periods for employees, which require employees to work for a certain period of time before they become eligible for benefits (waiting periods may be applied when an employee is first hired, or when they return after a job separation);
- Restrictions on coverage for part-time and seasonal employees; and
- Waivers of benefits, which may be signed forms that employees are asked to complete if they turn down coverage after they become eligible to receive benefits.

In Bulletin B-4.105, the Division has directed insurance carriers to make reasonable accommodations for employer requests to provide flexibility around such health insurance policy provisions that restrict or negatively impact employee eligibility and the continuation of coverage during the period the Governor's Executive Order are in place, or until the Bulletin is rescinded.

In addition, the DOI has directed carriers to work with employers and employees to facilitate the continuation of coverage as required by current state and federal law. If you have over 20 employees, they can continue coverage through COBRA. Following the 2008 financial crisis, the federal government temporarily provided a COBRA premium subsidy to help terminate workers afford coverage. To date, no similar actions have been announced.

If you have fewer than 20 employees, Colorado State Continuation allows for continuation of coverage, whether an employee has been terminated (furloughed or laid off), or had their hours reduced.

- **Terminations, including furloughs or lay-offs**

To continue coverage for furloughed or laid off employees, you must notify the employee of the option to stay on your health insurance plan within 10 days of the date they stopped working. The employee should respond to this notice within 30 days, and the premium payment for continued coverage, whether it is paid by you or through a shared contribution, is due to your insurance company within 60 days of the date they stopped working. You should contact your insurance carrier to identify and request any necessary accommodations to ensure they will remain covered.

- **Reduced hours**

If your full-time employees' hours have been reduced, even down to zero, but you intend to reinstate them to their full hours once your business returns to normal operations, Colorado law allows you to continue providing coverage under your current plan. You should contact your insurance carrier to pursue this option, and request any necessary accommodations to your current policy to ensure they will remain covered.

2. What if I can't pay my premium by the due date, or I am only able to make a partial payment? Will my coverage be automatically cancelled?

All group health insurance policies are required to have a 31-day grace period for premium payments (except the first payment, when you initially purchase the policy). The DOI has directed carriers to work with policyholders, and offer accommodations including:

- Extending premium grace periods or allowing premium deferrals;
- Waiving late payment fees or interest; and
- Applying a moratorium on cancellations for non-payment.

You should contact your insurance carrier to work out an arrangement that best meets the needs of your business, employees, and their families.

3. What if I am unable to continue my health insurance policy? What options do my employees have to get health insurance coverage? Will they be able to get any assistance with premiums?

A loss of insurance coverage through an employer due to an involuntary job termination, a reduction in the number of hours, or a reduction or elimination of an employer's contributions toward health insurance coverage is a "qualifying event" that allows your employees to find coverage elsewhere through a special enrollment period (SEP).

The DOI recently established a [COVID-19 related special enrollment period](#) that started on March 20, 2020 and extends until April 3, 2020. Employees may apply for this SEP by contacting [Connect for Health Colorado](#), an insurance broker, an assister, or an insurance carrier directly to apply for enrollment. They will need to verbally attest that they are currently without insurance, but no additional documentation will be required. The effective date of coverage for plans purchased during the COVID-19-related SEP will be April 1, 2020.

If your employee does not apply for coverage during the COVID-19-related SEP, they will still have a [60-day SEP](#) if they involuntarily lose coverage due to a job loss. Employees may apply for coverage during this period by contacting Connect for Health Colorado, an insurance broker or assister, or an insurance carrier directly. In most cases, coverage for a plan selected on a day between the 1st and 15th of the month will be effective the first day of the following month. Plans that are selected between the 15th and last day of the month will become effective the first day of the second following month.

If the employee purchases coverage through Connect for Health Colorado, or an "on-exchange" plan, they may be eligible for premium assistance. Connect for Health Colorado will also determine whether the employee's circumstances qualifies them for Health First Colorado, the state's Medicaid program. Employees can go to the [Colorado PEAK website](#), using a smartphone, tablet, or computer, to apply for or enroll in benefits. Employees can also check whether they can be added to a family member's plan.

4. If my employees are receiving unemployment insurance, are they still eligible for health benefits under my plan?

Yes. Receiving health insurance benefits does not disqualify an employee from receiving unemployment insurance benefits, if they are otherwise eligible. Likewise, the receipt of unemployment benefits does not preclude you from providing health insurance coverage to that employee.

5. If an employee was initially eligible for coverage under my plan, but declined coverage at the time, can they accept coverage now?

In Bulletin B-4.105, the Division is directing carriers to allow employees who previously declined coverage, which is often done by signing a waiver form, to now enroll in the policy. You will need to check your records and talk to your insurance carrier to determine the steps you and/or your employees need to take to enroll them in coverage.

6. I have a self-funded plan, which is not regulated by the Division of Insurance. What options are available to me and my employees to continue coverage during this emergency?

Employers with self-funded health plans are not regulated by the Division, as such plans are regulated at the federal level. Self-funded employers are required to comply with COBRA requirements for continued group health coverage. In addition, the Division strongly encourages employers with self-funded health plans to request that the third-party administrators of such plans comply with state and federal guidance, including the Division's directives.

7. Are there any assistance programs that are available to me and my business so that I can continue to offer coverage?

You may be able to apply for state and federal assistance to help you cover a variety of expenses during the COVID-19 public health emergency. The resources cited below are not meant to be a comprehensive inventory; you should continue to check the websites listed for frequent updates.

Federal Relief Programs

The **Coronavirus Preparedness and Response Supplemental Act** was signed into law on March 6, 2020, authorizing the Small Business Administration (SBA) to provide an estimated \$7 billion in low-interest disaster loans to small business and medium sized businesses with fewer than 500 workers. The loans, administered through the SBA's Economic Injury Disaster Loan (EIDL) program, can be used to cover costs including fixed debts, payroll, accounts payable, employee sick leave, and other bills that can't be paid due to the impact of COVID-19. You can apply for a EIDL loan online at <https://disasterloan.sba.gov/ela/>.

The **Coronavirus Aid, Relief, and Economic Security Act (CARES Act)**, currently being finalized in Congress, will authorize an additional \$10 billion for the EIDL program. The CARES Act also removes certain requirements to qualify for EIDL loans, such as the need for a personal guarantee, to have been in business for at least one year prior to the COVID-19 disaster, and the inability to find credit elsewhere. Sole proprietorship and independent contractors will now also be eligible for such loans.

In addition, the CARES Act creates the Paycheck Protection Program, a \$367 billion program that will provide forgivable loans of up to \$10 million to small and medium businesses with fewer than 500 workers. The loans, also administered by SBA, can be used to cover health insurance premiums and costs related to the continuation of group health care benefits during periods of paid sick, medical, or family leave, as well as employee salaries, mortgage payments, and other debt obligations. However, if companies lay off workers, parts of the loan will not be forgiven. You should check the [SBA's Coronavirus \(COVID-19\): Small Business Guidance & Loan Resources](#) webpage for additional information about the Paycheck Protection Program, after the CARES Act is signed into law.

Local Relief Programs

Various cities and municipalities have established other relief efforts; for example, the City and County of Denver announced the creation of an initial relief fund of \$4 million to support small businesses affected by COVID-19, and the City of Grand Junction is encouraging city employees to support local restaurants by reimbursing 50% of the tab for food orders.

Information about state and federal programs available to you and your employees can be found on the following websites - you should check your local area for additional resources:

- [Colorado COVID-19 Response](#) - updated daily
- [CO Office of Economic Development and International Trade \(OEDIT\) COVID-10 Business Resource Center](#)
- [CO Department of Labor and Employment Information and Resources on COVID-19](#)
- [Small Business Administration COVID-19 Small Business Guidance and Loan Resources](#)

ADDITIONAL RESOURCES FOR EMPLOYERS AND EMPLOYEES:

- SBA Disaster Assistance Customer Service
 - (800) 659-2955 (TTY: (800) 877-8339)
 - Email: disastercustomerservice@sba.gov
- [Colorado PEAK](#)
 - Access 24/7 via smartphone, tablet, or computer

- Connect for Health Colorado Customer Service Center
 - Call: 1-855-PLANS-4-YOU (1-855-752-6749) or 303-590-9675 if you are outside of the United States
 - TTY line: 1-855-346-3432
 - Website - connectforhealthco.com

- General Food or Cash Assistance Questions
 - If you have general questions about Food or Cash Assistance, you may call the Colorado Department of Human Services Call Center
 - Call: 1-800-536-5298

- Health First Colorado (Medicaid)
 - Health First Colorado's Member Contact Center can help you with questions about your health benefits and billing
 - Call 1-800-221-3943 (State Relay: 711)