



# National Compliance Update

## USI EMPLOYEE BENEFITS

January 14, 2021

## HHS Again Extends the Public Health Emergency

On January 7, 2021, the Secretary of Health and Human Services (“HHS”), Alex Azar, announced the administration will renew the COVID-19 pandemic Public Health Emergency, scheduled to expire on January 21, 2021. This will once again extend the period for an additional 90 days and as a result, numerous temporary benefit plan changes will remain in effect.

### IMPORTANT DEFINITIONS

**Emergency Period.** HHS Secretary Azar issued a Public Health Emergency beginning January 27, 2020. This *Emergency Period* is now set to expire **April 21, 2021** (unless further extended or shortened by HHS).

**Outbreak Period.** The *Outbreak Period* runs from March 1, 2020 until 60 days after the announced end of the National Emergency<sup>1</sup>. The Departments are expected to announce the end date; at this time, no end date has been announced. According to the regulations, a period of “up to one year” may be disregarded. Therefore, it appears the latest the Outbreak Period may end is **February 28, 2021**. However, further guidance would be helpful.

While there are other temporary benefit plan provisions and changes that are allowed due to the public health emergency<sup>2</sup>, summarized below are only those provisions directly impacted by the Emergency Period extension.

---

<sup>1</sup> For purposes of the Outbreak Period, the National Emergency is determined based on a [March 13, 2020 letter](#) from President Trump to Secretaries of the Departments of Homeland Security, the Treasury, and Health and Human Services and the Administrator of the Federal Emergency Management Agency. The announced end date of the National Emergency may not be the same date as the end of the Public Health Emergency period announced by HHS.

<sup>2</sup> Examples include mid-year cafeteria plan election changes for 2020, expanded no-cost telehealth services for Qualified High Deductible Health Plans, and Families First Coronavirus Response Act paid sick and family leave benefits.

## **BENEFIT PLAN CHANGES IN EFFECT THROUGH THE END OF THE EMERGENCY PERIOD**

- **COVID-19 Testing.** All group health plans must cover COVID-19 tests and other services resulting in the order for a test without cost-sharing, prior authorization, or medical management and includes both traditional and non-traditional care settings in which a COVID-19 test is ordered or administered.
- **COVID-19 Vaccines.** All non-grandfathered group health plans must cover COVID-19 vaccines (including cost of administering) and related office visit costs without cost-sharing; this applies, to both in-network and out-of-network providers, but a plan can implement cost-sharing after the Emergency Period expires for services provided out-of-network.
- **Excepted Benefits and COVID-19 Testing.** An Employee Assistance Program (“EAP”) will not be considered to provide significant medical benefits solely because it offers benefits for diagnosis and testing for COVID-19 during the Emergency Period and therefore, will be able to maintain status as an excepted benefit.
- **Expanded Telehealth and Remote Care Services.** Large employers (51 or more employees) with plan years that begin before the end of the Emergency Period may offer telehealth or other remote care services to employees (and their dependents) who are not eligible for other group health plan coverage offered by the employer.
- **Summary of Benefits and Coverage (“SBC”) Changes.** Group health plans may notify plan members of changes as soon as practicable and are not held to the 60-day advance notice requirement for changes affecting the SBC during the plan year or for the reversal of COVID-19 changes once the Emergency Period expires, provided the plan members are timely made aware of any increase and/or decrease in plan benefits summarized on the SBC.
- **Grandfathered plans.** If a grandfathered plan enhanced benefits related to COVID-19 for the duration of the Emergency Period (e.g. added telehealth or reduced or eliminated cost-sharing), the plan will not lose grandfathered status if the changes are later reversed when the Emergency Period expires.

## **BENEFIT PLAN CHANGES IN EFFECT THROUGH THE END OF THE OUTBREAK PERIOD**

Group health plans, disability, and other employee welfare benefit plans<sup>3</sup> will disregard the period from March 1, 2020 until the end of the Outbreak Period when determining the following:

- **COBRA.** Timeframe for the employer to provide a COBRA election notice; the 60-day election period for a qualified beneficiary to elect COBRA; the COBRA premium payment deadlines (45 days for initial payment, 30-day grace period for ongoing payments); the deadline to notify the plan of qualifying events or disability determinations.
- **HIPAA Special Enrollment.** 30 days (60 days for Medicaid/CHIP events) to request a special enrollment right due to loss of health coverage, marriage, birth adoption, or placement for adoption.
- **ERISA Claims Deadlines.** Timeframe to submit a claim and appeal of an adverse benefit determination. For non-grandfathered medical plans, timeframe to request external review and perfect an incomplete request.
  - This includes claim deadlines for a health FSA or HRA that occur during the Outbreak Period.
- **Fiduciary Relief of Certain Notification and Disclosure Deadlines for ERISA Plans.** A plan will not be in violation of ERISA for a failure to timely furnish a notice, disclosure, or document throughout the duration of the Outbreak Period if the plan and fiduciary operate in good faith and

---

<sup>3</sup> Government plans are encouraged, but not required, to comply.

furnish the notice, disclosure, or document as soon as administratively practicable (which may include the use of electronic means such as email and text messages).

## EMPLOYER ACTION STEPS

Employers should continue to adhere to the national pandemic-related benefit changes and expanded timeframe for providing COVID-19 coverage and other required plan notifications. State and local emergency measures may expire at different times and could impact employee benefit plans (such as insured group health plans) and other state and/or local programs (such as paid leave) differently than the timeframes required under federally regulated program requirements.

In light of this extension, employers should also review USI's September 24, 2020 National Compliance Update, "[Renewal Considerations: Potential Liability Exposures Due to COVID-19-Related Extensions.](#)"

## RESOURCES

For a copy of the National Emergency extension, visit <https://www.phe.gov/emergency/news/healthactions/phe/Pages/covid19-07Jan2021.aspx>.

**USI** [usi.com/locations](http://usi.com/locations)

This summary is intended to convey general information and is not an exhaustive analysis. This information is subject to change as guidance develops. USI does not provide legal or tax advice. For advice specific to your situation, please consult an attorney or other professional.

These materials are produced by USI Insurance Services for educational purposes only. Certain information contained in these materials is considered proprietary information created by USI. Such information shall not be used in any way, directly or indirectly, detrimental to USI and/or their affiliates.

Neither USI nor any of its respective representatives or advisors has made or makes any representation or warranty, expressed or implied, as to the accuracy or completeness of these materials. Neither USI nor their respective representatives or advisors shall have any liability resulting from the use of these materials or any errors or omission therein. These materials provide general information for the use of our clients, potential clients, or that of our clients' legal and tax advisors.

IRS Circular 230 Disclosure: USI Insurance Services and its affiliates do not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein (including any attachments) is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with USI of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

© 2021 USI Insurance Services. All Rights Reserved.