

COVID-19 Frequently Asked Questions

Current as of April 1, 2020

QUESTIONS

Plan Document and Eligibility

- *Will you, as a stop loss carrier, consider COVID-19 testing costs, etc. for reimbursement as an eligible expense of the self-funded Plan, without a formal plan amendment or would we have the ability to do a retroactive plan document amendment at the conclusion of the crisis? How will you handle other governmental mandates that may arise in the future?*
- *For any other plan changes that may be occurring to deal with this crisis, would you accept these changes in writing without a signed plan document change until the end of this state of emergency?*

ANSWERS

American Fidelity will support the administrative plan change for these additional Plan expenses as currently mandated by the federal government (or state government, if more liberal). There will be no change to the stop loss rates or factors. We would expect other future governmental mandates would be handled in the same way but, as always, we do reserve the right to evaluate for additional stop loss policy exposure.

We will be happy to review any plan change request on an expedited basis and determine if a plan amendment is required, or the change is something that can be accepted on an administrative exception basis. We will accept a signed Plan Document retroactively within 30 days as long as we have advance written notification and agreement.

UPDATED: We ask that Policyholders submit their previously approved Plan Amendments related to COVID-19 by September 01, 2020, unless specifically requested earlier.

The next two questions are similar and relate to continuation of coverage under the stop loss policy. We know that employers may need additional flexibility surrounding COVID-19 (Coronavirus). Reimbursements for employees whose eligibility under the plan is impacted by COVID-19 related actions can still be considered covered under the Stop Loss policy during the current Policy Year provided premium continues to be paid for them. We will not require that an amended Plan Document permitting such continued coverage be sent to us for approval. However, in order to process claims accurately and expeditiously, we need to be made aware of any such Plan changes as soon as possible. Please send the amended Plan Document, when updated, to your AFA underwriter for approval.

- *What happens to a policy if a client lays off more than X% of my work force due to COVID-19?* See above.
- *What happens to a policy if a client has to lay off or furlough all of its work force due to COVID-19?* See above.
- *Would a waiting period or new underwriting apply for any current employees who had to be laid off, then return to work if they do not choose COBRA?* We would expect to follow the Plan continuation provisions but may consider waiving the waiting period depending on the length of period the employee was without coverage, or we may request a short form health questionnaire if outside of an acceptable or mandated time frame. We will monitor both state and federal legislation surrounding this issue as well.
- *How would you view claims on employees who are not actively at work because they have no scheduled shifts?* We would defer to the Continuation provisions of the Policyholder's Plan Document.
- *Will clients need to amend Plan Documents to include a temporary layoff provision if one does not exist, or could this be done retroactively? These employees are typically not being terminated but are essentially being furloughed until their business can re-open. Most of our client employers seem to want to be able to continue coverage without interruption during this time.* See our statement above regarding employee continuation of coverage under the Plan and stop loss policy during this national emergency.

- *With passage of the Families First Coronavirus Response Act, many Plans contain one of the provisions or similar provisions below, which may impact the decision whether to make an amendment to the Plan Document.*

Conformity With Applicable Laws

This Plan shall be deemed to automatically be amended to conform as required by any applicable law, regulation or the order or judgment of a court of competent jurisdiction governing provisions of this Plan, including, but not limited to, stated maximums, exclusions or limitations. In the event that any law, regulation or the order or judgment of a court of competent jurisdiction causes the Plan Administrator to pay claims which are otherwise limited or excluded under this Plan, such payments will be considered as being in accordance with the terms of this Plan Document. It is intended that the Plan will conform to the requirements of ERISA, as it applies to Employee welfare plans, as well as any other applicable law.

Conformity with Governing Law

If any provision of this Plan is contrary to any law to which it is subject, such provision is hereby amended to conform thereto.

- *Will you reimburse costs for early refills of medications?*
- *Are you compliant with all emerging state mandates regarding health benefit plans that may impact stop loss policy administration?*
- *Some administrators are now waiving cost shares for inpatient hospital admissions on their fully insured business and giving the option to the self-funded side as well. If a policyholder agrees to this change, how will your stop loss policies react?*

Where similar Plan provisions exist in our Policyholder's Plan Document, American Fidelity will not require a formal plan amendment to reflect this law and there will be no effect on the stop loss rates or factors.

Yes, we will reimburse costs paid by the plan for early refills of medication. A plan amendment is not needed at this time, but we will ask for an amendment for any changes that persist past September 1, 2020.

Yes, our stop loss policy is filed and approved with each state individually, and we intend to comply with all mandates that pertain to our product.

We ask to be made aware of any plan changes during this time. We will not require a formal Plan Amendment unless the change persists past September 1, 2020.

Policy Administration

- *During this time, can we forgo “wet” signatures on policy forms, applications etc. and use confirmation emails until such time as people get back to work and we can get “wet” signatures to you?*

Claims

- *Is there a possibility of paying claims without some documentation that we would normally receive either directly from an employer or other affected entity? For instance, if an employer has trouble getting hard copies of eligibility information etc., could we follow a pay and pursue type plan that would allow us to get that information once people start back to work?*
- *If your policy has a timely filing limit, will you agree to extend those limits until after the end of this crisis?*

- *Are you implementing any other changes in claims handling policies during this time?*

Rate or Coverage Changes

- *Will my stop loss premiums change if my number of employees dramatically decreases?*
- *Will my stop loss coverage be canceled if I must temporarily cease business operations?*

We plan to utilize DocuSign capabilities to gather electronic signatures. Our policy team is prepared to work with you closely on this endeavor, on an administrative basis, to meet our customer needs during this difficult time.

We would review on a case by case basis and our intent as always will be to introduce some common sense solutions during this challenging time wherever possible to ensure our customer stop loss claims are reimbursed promptly.

We do not plan to change our filing limits at this time, as they are generally considered very generous under the stop loss coverage. We are in close contact with state insurance departments and will adapt our policy as directed. If there is any question or extended potential delay known by the employer or their representative, we do ask that they send a provisional notice, so we have that for our files when the claim is able to be filed appropriately.

Our claims team is fully operational as we utilize cloud-based systems and have well-tested work from home procedures in place.

We will postpone any termination or rate change until at least September 1, 2020, as long as the employer maintains their self-funded health plan and their stop loss premium is paid.

We will continue our coverage as long as stop loss premiums are paid, until at least September 1, 2020, in situations where the employer cannot maintain minimum plan enrollment or has to temporarily stop business operations because of the COVID-19 emergency.

- *For clients that offer multiple plan designs, would you be open to allowing a special period in which enrolled individuals were given the opportunity to change plans mid-year? The purpose of this is for people on low deductible high co-insurance plans to be able to choose a more cost effective plan for them with a high deductible health plan.*

We would consider allowing this with proper notice and well-defined enrollment terms. This would only apply to employees enrolled under one of the employer's current plan offerings. In the event of a significant enrollment shift to a plan option with enhanced benefits, we would reserve the right to review our in-force rates and factors.

The statements in this document are provided in an attempt to informally respond to customer questions and to anticipate potential future issues which could arise in this time of national emergency. We commit to being flexible and responsive as future issues arise. Nothing in this document should be considered as a waiver or modification of the terms, conditions, limitations, and exclusions of the policy. Nothing in this document should be considered as final determination of an existing or future claim under the policy. Any waiver or modification of policy terms will be in advance, specific and in writing and will be signed by a fully authorized officer of American Fidelity Assurance Company. The Company reserves all rights and defenses.

Contact Diana Lee at (405) 523-5635 or diana.lee@americanfidelity.com with any additional questions.