

# Continuing Health Coverage during the COVID-19 Situation



Hawaii employers can continue to provide company-paid healthcare benefits to their eligible employees under certain circumstances. Due to the complexity of, and potential changes to, the requirements, please consult with your legal or other advisor to determine how the rules apply to your business.

As a result of COVID-19, HMAA is **extending its normal grace period** for payment of insurance premiums and **waiving its fees** for late payments or reinstatements.

- The grace period for payment of monthly premiums will extend to forty-five (45) days starting with coverage for March 2020. This extension will continue through August 2020. *Example: April 2020 premiums normally due April 1 may be paid until May 15.*
- Fees normally charged by HMAA for late payments or reinstatements will be waived starting with coverage for March 2020. This waiver will continue through the end of 2020.



Employers will need to continue notifying HMAA that their employees are on an approved leave of absence; this includes furlough, sick leave, FMLA, and FFCRA. They must also continue to pay the monthly premiums for their affected employees and dependents who remain covered. HMAA will continue to monitor the situation closely and implement necessary measures accordingly.

## Frequently Asked Questions

### 1. Can HMAA provide insight as to how the federal stimulus money can help my small business?

HMAA can connect you with subject matter experts who will provide guidance on applying for SBA loans available through the CARES Act, which are forgivable if used to pay for key business expenses such as payroll and health insurance benefits. For more information, visit [hmaa.com/federal-business-loans](https://hmaa.com/federal-business-loans) or contact your HMAA Account Manager.

### 2. Can I continue to pay for my employees' health coverage if they are placed on furlough or no longer meet the eligibility requirements for hours worked due to COVID-19?

If your employees are placed on furlough or any other type of approved leave of absence (either paid or unpaid), or are not meeting eligibility requirements (e.g., not working at least 20 hours per week), you can continue to pay their health insurance premiums for up to 6 months. If you decide to do this, applicable laws may require you to do this consistently across your employee population or by division. If any employees are on an approved leave of absence, you will need to notify HMAA of their absence.

### 3. Can I temporarily change my group's medical plan offering to help reduce costs?

Yes, you are able to change your medical plan offering. If your health plan is in Grandfathered or Grandmothered status, keep in mind that changing your medical plan offering could cause your plan to lose such status. If you are interested in other plan options, please contact your HMAA Account Manager.

## Frequently Asked Questions – *continued*

### 4. Can I temporarily change my group's drug, vision, and dental rider offerings to help reduce costs?

Yes, you are able to change or remove your drug, vision, and dental rider offerings, then add them back to your policy later. If your health plan is in Grandfathered or Grandmothered status, keep in mind that removing or reducing the drug rider offering could cause your plan to lose such status. If you are interested in other plan options or a drug discount card, please contact your HMAA Account Manager.

### 5. Can I unbundle my group's drug, vision, and dental offerings so they are no longer employer-sponsored and instead offer these as voluntary coverage whereby my employees would be responsible for paying the premiums?

No, you may not unbundle your rider offerings and offer these as voluntary coverage to your employees. However, HMAA provides the following options to help mitigate the loss of employer-provided coverage:

- **Optum Perks** is a prescription drug savings program where your employees can obtain a free discount card online and instantly save on select prescription medications. For more information, visit [himemberplus.com/optumperks](https://himemberplus.com/optumperks).
- **VSP Individual Vision Plans** are direct, non-employer-sponsored vision plans where your employees can enroll and pay the premium online through VSP's website. For more information, visit [himemberplus.com/vsp-individual-vision-plans](https://himemberplus.com/vsp-individual-vision-plans).

### 6. If I close my business today due to COVID-19 and rehire employees a few weeks or months later, can HMAA waive the 4-week waiting period to re-enroll those employees?

If you rehire an employee who was previously covered under your plan, HMAA can waive the 4-week waiting period as long as they are re-enrolled within 6 months of being terminated during the COVID-19 situation. Otherwise, newly hired employees will be subject to the 4-week waiting period and must meet the eligibility requirements for hours worked in order to enroll.

### 7. Is my group's COBRA Continuation Coverage status still active?

Your group's COBRA Continuation Coverage status is still active if you employed at least 20 full-time equivalent employees (FTEs) for at least 6 months during the preceding calendar year and informed HMAA of this by providing your company's UC-B6 or Quarterly Wage Report for the preceding year. Your COBRA coverage will remain in active status while your policy remains in effect.

### 8. Will HMAA grant leniency if I do not pay my premiums by the first day of the month for which coverage is expected during the COVID-19 situation?

HMAA expects timely premium payments in order to continue health insurance coverage. However, HMAA has extended its grace period for payments to forty-five (45) days. This extension will continue through August 2020. In addition, fees normally charged by HMAA for late payments or reinstatements will be waived through the end of 2020.

Please reach out to our Account Management Team at (808) 791-7654, toll-free at (800) 621-6998 x301, or [AccountManager@hmaa.com](mailto:AccountManager@hmaa.com) if you have questions about any of the above. While this is a difficult time for everyone, we are thankful for the opportunity to service you.