

American Rescue Plan and state continuation

Section 9501 of the American Rescue Plan Act provides premium assistance to help people remain enrolled in group health coverage if they lose their job or lose eligibility for health benefits.

Premium assistance is available to people who qualify for continuation coverage under COBRA, as well as any continuation coverage required under state law.

Premium assistance is available for a six-month period until Sept. 30, 2021. People who qualify for premium assistance will not need to pay premiums during this period. An employer or plan to which premiums are payable is entitled to a tax credit for the amount of the premium assistance.

The frequently asked questions below clarify the relationship between American Rescue Plan premium assistance and continuation coverage required under ORS 743B.347 (Oregon state continuation).

1. Is the rescue plan's premium assistance available to people who qualify for Oregon state continuation?

Yes. Premium assistance is available to people who qualify for continuation coverage under federal COBRA laws or a state program that provides comparable continuation coverage.

Oregon's state continuation statute, ORS 743B.347, requires group health benefit plans to provide coverage that is comparable to COBRA. A person who enrolls in continuation coverage under ORS 743B.347 may also qualify for premium assistance.

ORS 743B.347 applies to group health benefit plans issued to Oregon small employers with fewer than 20 employees. Employers with 20 or more employees are typically subject to COBRA.

2. How will employees know if they are eligible to receive COBRA premium assistance under the American Rescue Plan?

The U.S. Department of Labor and the IRS have released guidance about eligibility for COBRA premium assistance and its extension to state continuation program.

Visit the Department of Labor's [COBRA premium subsidy for employers and advisers](#) to learn more.

Visit the IRS [Notice 2012-31 Premium Assistance for COBRA Benefits](#) for detailed guidance.

3. When someone enrolled in Oregon state continuation receives the premium assistance, who may claim the tax credit?

Under the American Rescue Plan, carriers must treat any eligible person who applies for state continuation coverage as having paid the premium in full. Carriers are entitled to claim a tax credit for the value of the member's premiums during the COBRA premium assistance period.

4. The American Rescue Plan requires COBRA plans to provide an extended election period that allows eligible people to take advantage of rescue plan subsidies, even if they did not elect COBRA when they first became eligible. Does this also apply to plans subject to Oregon state continuation?

The extended election period is required only for COBRA plans.

5. For plans subject to Oregon state continuation, how should carriers notify members of the availability of premium assistance?

Carriers and employers are required to provide notice to employees when premium assistance is available. Visit the U.S. Department of Labor's [model notices for carriers and employers](#) for notification examples.

The Division of Financial Regulation encourages carriers to actively inform eligible members about the availability of rescue plan premium assistance. Carriers should include the model notices from the Department of Labor or

comparable information about premium assistance as part of any notices required under ORS 743B.347(10).

6. Where can I find more information on American Rescue Plan premium assistance?

U.S. Department of Labor – [FAQs about COBRA premium assistance under the American Rescue Plan Act of 2021](#)

Internal Revenue Service – [Notice 2012-31 Premium Assistance for COBRA Benefits](#)

Oregon state continuation – Contact the Division of Financial Regulation advocacy team:

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- 888-877-4894 (toll-free)