

American Rescue Plan Act of 2021 Provides 100% COBRA Subsidy

Updated: April 13, 2021

You should be aware that the newly enacted American Rescue Plan Act of 2021 provides an opportunity for participants and beneficiaries to get free COBRA coverage in the Directors Guild of America Producer Health Plan from April 1, 2021 through September 30, 2021 (the “Subsidy Period”).

Who Is Eligible?

Participants and dependents qualify for free COBRA if they lose Health Plan coverage due to a reduction of hours or involuntary termination of employment. This free COBRA is available for periods of coverage between April 1, 2021 through September 30, 2021.

You will qualify for free COBRA coverage if you:

- Are currently enrolled in COBRA or become eligible for COBRA between April 1, 2021 and September 30, 2021; or
- Became eligible for COBRA prior to April 1, 2021, and your COBRA eligibility period includes any month between April 1, 2021 and September 30, 2021 — even if you previously declined COBRA coverage or decided to discontinue it before April 1, 2021.

Who Is NOT Eligible?

You will not be eligible for free COBRA premium subsidy if you:

- Are eligible for other group health coverage, such as through a new employer’s plan or a spouse’s plan (with some limited exceptions);
- Are eligible for Medicare; or
- Lost coverage due to divorce, aging out of coverage, or any other qualifying event other than an involuntary termination or reduction in hours.

How Much Is The Subsidy?

During the Subsidy Period, COBRA coverage for you and your dependents will be free. Qualified participants and dependents will automatically be treated as having paid the full required COBRA premium.

What Do I Have To Do To Receive The Subsidy?

In order to receive free COBRA coverage, you will need to complete an election form. You should wait for the required notices and election forms from the Health Plan, which will be sent shortly. Once you receive the forms, you will need to complete and return them to the Health Plan. Your free COBRA coverage will become effective retroactive to April 1, 2021, once the Health Plan is able to process your enrollment materials.

Additional Guidance

Please note that government guidance regarding this COBRA relief is constantly evolving. We will continue to keep you informed and will also post updates on www.dgaplans.org as new information becomes available. If you have questions with respect to your benefits with the Health Plan or your eligibility for the COBRA subsidy, please contact us at (323) 866-2200, Ext. 401 to determine if relief may be available to you.