

Key Questions for Employers and Employees in NYS Home Care when Reducing Workforce Through Layoff

Q1 – I need to downsize through termination – what happens to my employees' health insurance?

If they are currently covered through your company sponsored plan, you must provide them with a COBRA election notice, as with any separation from service. However, the cost of COBRA is up to 102% of the full cost of coverage (or budget cost for self-insured programs), which can be expensive. An alternative option is referral to the NYS Healthcare Exchange at <https://nystateofhealth.ny.gov/> or calling at 1.855.355.5777 (TTY: 1.800.662.1220). The state exchange will grant enrollment for 4/1/2020 as long as you enroll on or before 4/15/2020. The information from NYS is [available here](#). However, advise these employees to NOT WAIT FOR THE LAST MINUTE. This special enrollment period is a special accommodation and we do not know if it will be extended. Also, based on your household income, you may qualify for a federal tax credit to reduce your premium until you are eligible for another employers' affordable coverage.

If they are NOT covered through your employer sponsored plan, they can access the state exchange under this special enrollment window.

Q2 – For the remaining uninsured staff, what options do they have for coverage?

If your employer sponsored plan is considered "affordable" under the standards of the ACA, and the employee waived their option during the most recent open enrollment period, the options are very limited. Only if the insurer permits you to re-extend the offer during a special open enrollment can you make this option available. However, there are potential tax implications under Sec. 125 that require review. If the insurer does not permit re-entry, the uninsured employees may still access the NYS Healthcare Exchange (per above), but may not be eligible for a tax credit as the coverage previously offered was affordable.

If your employer sponsored plan is not considered "affordable" under the standards of the ACA, employees can access the NYS Healthcare Exchange (as above) during this special enrollment period. If currently covered by Medicaid, Medicare, Tri-Care or any other public program, the best advice is to continue with your coverage.

If you have questions regarding involuntary, or voluntary employee furloughs, and its implication to coverage, or anything else health insurance related, just call us anytime:

Paul Essner – 516-336-5950

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Or contact your account manager.