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2176 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6100

November 3, 2022

The Honorable Gene L. Dodaro
U.S. Comptroller General
U.S. Government Accountability Office
441 G Street, NW
Washington, DC 20548

Dear Comptroller Dodaro:

Many Americans are enrolled in health care coverage through a job-based plan;¹ therefore, loss of employment or reduction in hours often results in the termination of health coverage.² The COVID-19 pandemic placed a spotlight on this relationship, as many Americans were laid off or faced reduced hours and lost health coverage during the pandemic.³ Moreover, while coverage provided through the *Consolidated Omnibus Budget Reconciliation Act of 1985* (COBRA)⁴ gives individuals who lose employer-sponsored health benefits the right to continue these benefits for limited periods, premiums for this coverage—borne entirely by the individual—are costly.⁵ In response to those workers and their families impacted by layoffs and reductions in hours due to the pandemic, and the high cost of COBRA premiums, a critical health-related provision of the *American Rescue Plan Act of 2021* (ARPA)⁶ temporarily provided premium subsidies for continuation of coverage under COBRA. This allowed those impacted by layoffs or reduced

¹ *2021 Employer Health Benefits Survey*, Kaiser Family Found. (Nov. 10, 2021), <https://www.kff.org/report-section/chbs-2021-section-1-cost-of-health-insurance/> (reporting that, based on an annual survey of private and non-federal public employers with three or more workers, “[e]mployer-sponsored insurance covers a most 155 million nonelderly people”).

² See Josh Bivens and Ben Zipperer, *Health insurance and the COVID-19 shock*, Economic Policy Institute (Aug. 26, 2020), <https://www.epi.org/publication/health-insurance-and-the-covid-19-shock/>.

³ See *id.*

⁴ 29 U.S.C. § 1162(3).

⁵ See US Dep’t of Labor, *Continuation of Health Coverage (COBRA)*, <https://www.dol.gov/general/topic/health-plans/cobra>.

⁶ Pub. L. No. 117-2, 135 Stat. 4 (Mar. 11, 2021).

hours to remain on COBRA at no cost and maintain continuity of care in an unprecedented time.⁷

The ARPA subsidies, in effect from April 1, 2021, through September 30, 2021, were a lifeline to many who otherwise would not have been able to afford to keep their employer-sponsored health benefits.⁸ Yet not enough is known about how these now-expired ARPA subsidies worked. Accordingly, I write to respectfully request that the U.S. Government Accountability Office (GAO) study the impact of the ARPA subsidies on individuals, employers, and COBRA administrators, as well as the effects of the expiration of the ARPA subsidies. I further request that GAO study the Department of Labor's (DOL) and the Internal Revenue Service's (IRS) efforts to ensure ARPA subsidy compliance, as well as how the ARPA subsidies interacted with the additional relief that DOL and IRS provided for COBRA-eligible individuals.

Gaining a better understanding of the ARPA subsidies' implementation is not only important in terms of a retrospective analysis, but also critical to ensuring the nation's preparedness for future economic downturns. Similar studies conducted on behalf of DOL and the Department of Treasury examining COBRA premium assistance provided by the *American Recovery and Reinvestment Act*⁹ served as valuable tools to inform policymakers during the development of ARPA.¹⁰

Accordingly, I ask that GAO provide a comprehensive assessment of these issues to address the following, and, if applicable, make recommendations:

1. What is known about the extent to which workers were aware of the COBRA premium subsidies, which types of workers were eligible for the premium subsidies, and how many workers claimed these subsidies? How does the number of workers using COBRA continuation coverage with the premium subsidies compare to the number of workers who had claimed COBRA continuation coverage prior to the premium assistance?
2. What is known about the extent to which employers and COBRA administrators provided notices to eligible individuals about COBRA premium assistance and whether any premiums were charged during the period beginning April 1, 2021, and ending September 30, 2021? If premiums were charged during this period, were individuals reimbursed for premiums paid? What remedies were available to individuals who were not timely provided notices or were wrongfully denied premium assistance under the program?

⁷ See *id.* at § 9501.

⁸ See *supra* note 5.

⁹ P.L. 111-5, 123 Stat. 115 (Feb. 19, 2009).

¹⁰ Jillian Berk and Anu Rangarajan, Evaluation of the ARRA COBRA Subsidy: Final Report, Mathematica Policy Research (on behalf of the U.S. Dep't of Labor) (Feb. 18, 2015), <https://www.dol.gov/sites/dolgov/files/EBSA/researchers/analysis/health-and-welfare/evaluation-of-the-arra-cobra-subsidy.pdf>; U.S. Treas. Dep't Office of Economic Policy, COBRA Insurance Coverage Since the Recovery Act: Results from New Survey Data (May 11, 2010), https://home.treasury.gov/system/files/226/COBRA_Insurance_Coverage_since_the_Recovery_Act_Results_from_New_Survey_Data_MAY2010.pdf.

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3. What challenges did employers and COBRA administrators face in implementing the COBRA premium subsidy program, and what was the experience of workers who received COBRA premium subsidies during and after the period of the subsidies?
4. How did DOL and IRS oversee implementation of the COBRA premium subsidy program? For example, how did the timing requirements under the COBRA premium subsidy program interact with the relief issued by DOL and IRS such as extending timeframes related to COBRA enrollment and special enrollment periods? What role did DOL benefits advisors play in assisting workers?

Thank you for your attention to this matter. If you have any questions or wish to discuss this request further, please contact Michele Simensky, Labor/Health Oversight Counsel for the Committee on Education and Labor, at Michele.Simensky@mail.house.gov or Daniel Foster, Senior Health and Labor Counsel for the Committee on Education and Labor, at Daniel.Foster@mail.house.gov. Please direct all official correspondence to the Committee's Chief Clerk, Rasheedah Hasan, at Rasheedah.Hasan@mail.house.gov.

Sincerely,



ROBERT C. "BOBBY" SCOTT

Chairman