

# Fact Sheet

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**U.S. Department of Labor  
Employee Benefits Security Administration  
October 2005**

## **Extension of Time Frames to Help Plans and Individuals Affected by Hurricane Katrina**

As a result of Hurricane Katrina, a number of participants and beneficiaries covered by group health plans, disability or other welfare plans, and pension plans may encounter problems in exercising their health coverage portability or continuation coverage rights, or in filing or perfecting their benefit claims. Similarly, employers in affected areas may face difficulties in fulfilling their notice obligations to participants and beneficiaries. Recognizing the numerous challenges already facing affected participants and beneficiaries and plan sponsors, the Employee Benefits Security Administration (EBSA) and the Internal Revenue Service (IRS) are taking steps to minimize the possibility of individuals losing benefits because of a failure to comply with certain pre-established time frames.

For participants, beneficiaries, and plans in the disaster areas (the counties and parishes in Louisiana, Mississippi or Alabama that have been or are later designated as disaster areas eligible for Individual Assistance by the Federal Emergency Management Agency because of the devastation caused by Hurricane Katrina), the time frames for the following provisions are tolled for the period between August 29, 2005 and February 28, 2006. The effect is to freeze the application of the time periods through February 28, 2006.

### **Extended Time Frames**

- The Health Insurance Portability and Accountability Act (HIPAA) provides portability of group health coverage by, among other things, giving people credit for prior health coverage. Under the general HIPAA rules, prior credit may be disregarded if a person goes without coverage for 63 days. Under the Agencies' relief, this time period has been extended to allow Katrina victims more time to secure health coverage without losing coverage for preexisting health conditions.
- HIPAA also requires special enrollment rights upon certain events, such as loss of other coverage, but only if an individual requests enrollment within 30 days of the loss. Relief has also been provided to allow Katrina victims more time to request enrollment in other group health coverage.
- The Consolidated Omnibus Budget Reconciliation Act (COBRA) permits qualified beneficiaries who lose coverage under a group health plan to elect continuation health coverage. The general COBRA rules allow 60 days to request COBRA coverage. This time frame has also been extended to give Katrina victims more time to request continuation coverage.
- The COBRA rules also govern timing of premium payments. A grace period has been added to give victims more time to make their COBRA payments.

- The benefit claim procedure rules require employee benefit plans to establish and maintain reasonable procedures for the determination and appeal of benefit claims. EBSA is requiring plans to extend time frames for affected individuals to file a benefit claim and to file an appeal.
- Plans must provide certain notices in connection with the HIPAA portability and COBRA continuation provisions within certain time frames. The agencies are extending these time frames for plans that cannot make their disclosures on time due to the hurricane.

The complete notice is to be published in the October 12, 2005 Federal Register. Other Hurricane Katrina disaster relief can be accessed on the Internet at [www.dol.gov](http://www.dol.gov) and [www.irs.gov](http://www.irs.gov).