

COBRA Administration

At PAYPROtpa we provide quality services at competitive prices. Since 1988, we've worked with employers and brokers throughout the country, assisting them in the design, communication and maintenance of benefits and administrative services. Along with COBRA, we also provide administrative services for:

- FSAs & POP
- HRAs
- Pension
- Payroll
- § 125 Plans
- So much more

When you utilize the services we offer, you'll no longer have to send your staff to expensive seminars, purchase updates or wonder if the notices you use are still in compliance. Call us today and let us take care of your COBRA.

What is COBRA

In 1985, Congress enacted continuation of health care coverage requirements, commonly referred to as COBRA.

COBRA stands for the Consolidated Omnibus Budget Reconciliation Act and was designed to protect certain employees and their dependents when they experience a loss of coverage under a group health plan. COBRA provides a continuation of health coverage that otherwise would have been terminated due to certain qualified events.

COBRA administration is made more difficult by constantly changing rules and regulations.



Basic Requirements

Federal COBRA regulations require that businesses with 20 or more full or part-time employees on 50% of the typical business days during the previous calendar year are required to offer continuation of coverage under COBRA.

Cal-COBRA, which mimics many of the Federal COBRA requirements, lowers this threshold to 2 or more employees.

COBRA applies to employees, the employees' spouse and dependent children, and may apply to other covered individuals. These individuals are referred to as "qualified beneficiaries."

Many organizations that sponsor health insurance benefits assume that COBRA only requires that if an individual loses coverage, they must be given the right to continue it on their own. In reality, COBRA has many requirements that involve notices, timeframes, and tracking for as long as 36 months.

For example, once individuals are covered under a qualified plan, they must receive a Department of Labor General Notice. This notice is required to be provided to all qualified beneficiaries. Simply handing a letter to the employee is not sufficient. The General Notice specifically lists the *rights and responsibilities* of those beneficiaries. Properly communicating the General Notice is the first step required in COBRA administration.

Under COBRA, if an individual has a qualifying event and loses coverage under the plan, a Qualifying Event letter is to be provided to the employee and their qualified beneficiaries. The Qualifying Event letter is to be provided to the employee and their qualified beneficiaries. The Qualifying Event notice provides them with the right to continue coverage under the plan, provided they elect COBRA and continue the premium payments

End the Worrying and Paperwork!

Don't put yourself at risk. Utilizing the services of PAYPROtpa will save you time and money. Our system complies with both Federal and Cal-COBRA requirements. Throughout the County there are specific requirements that can vary on a State-by-State basis.

We'll communicate with COBRA participants, work with the carriers, and your Brokers – all on your behalf.

COBRA Administration is a serious issue, let the experts at PAYPROtpa handle your COBRA needs. You will have a COBRA Specialist assigned to your company. As a Third-Party Administrator, we help employers comply with all COBRA Laws by providing up to date integration of new laws and IRS interpretations, assuring successful compliance in the years to come. Our system is state-of-the-art, and our staff is friendly and professional.

It's time to end the frustration and the worry over COBRA. Contact us today!

Our Services Include

COBRA Administrative Services

- Initial COBRA Notification to all employees, spouse, and dependents
- Notify employees and/or dependents of a "qualifying event"
- Monitor COBRA election periods
- Monitor COBRA Participant's Time frames
- Collect funds for COBRA monthly premiums
- Notify COBRA participants of Conversion privilege
- Coordinate and communicate with participants and carriers during the Open Enrollment period

Our DOL General Notice (formally known as an Initial Notice), as well as our Qualifying Event Letter is available in both English and Spanish.

COBRA Administrative Reports

- Initial COBRA Notification
- Qualifying COBRA Event Tracking
- COBRA Participant Report
- COBRA Participant Premium Payment
- COBRA Participant Payment Breakdown
- COBRA Premium Reimbursement

COBRA Qualifying Events

(subject to change)

- Death of an employee-parent
- Employment termination of the employee-parent
- Divorce or legal separation of the parents
- Medicare eligibility of the employee-parent
- A child/dependent attaining the maximum age under a group plan

Your Responsibilities

When you have PAYPROtpa working on your behalf, **you have minimal responsibilities** when it comes to COBRA:

1. When an employee signs up for benefits, or adds dependents to their plan, email the health/dental/vision application to our office. **We'll prepare and mail the DOL General Notice automatically**
2. If an individual loses coverage for any reason, notify us by completing a Qualifying Event Form within 30 days of the date coverage end. **We'll take it from there**
3. Notify your insurance carrier so they can remove the individual(s) from the group plan

That's it – we'll take care of everything else. We'll track timeframes, handle recordkeeping, and collect premiums. We will even communicate changes during annual open enrollments.