

COBRA ADVICE

For all groups 20 and above where COBRA applies, it is more important than ever to consider the use of a COBRA administrator.

While Insurance Office of Central Ohio felt it was very urgent to get this communication to all of our small and large groups in a timely manner, we are not COBRA administrators and cannot provide guidance or administration for State Continuation or COBRA.

As the penalties for not following these rules can be costly, we very strongly recommend that you contact your insurance provider to see if it provides COBRA or State Continuation assistance.

If your carrier does not provide COBRA administration, we can provide information on services provided by Infinisource which is a provider that we have recommended to our COBRA eligible groups.

There are, of course, many COBRA administrators which can provide you with guidance and assist you with this, and we strongly encourage contacting them at this time to enlist their aid in COBRA compliance.

In the past several years, we have recommended Infinisource, a well-known COBRA administrator, who has been of great service to some of our large groups. See if you pass the Infinisource Compliance Test below.

Your COBRA Compliance Review - Discover what outsourcing with Infinisource can do for you!

Compliance Readiness! Administering COBRA and Premium Collection - it's much more than just telling employees or dependents they can stay on your health plan, but it doesn't have to transform your entire workday into a wrestling match with COBRA paperwork either.

Compliance Checklist. To get a better idea of your COBRA state of affairs, use the following checklist to see how well you meet the stringent IRS and DOL Regulations or where you will be making costly COBRA errors.

- COBRA Compliance Requirements under TAMRA (Technical & Miscellaneous Revenue Act)

- Proof of COBRA training
 - Written COBRA procedures (manual with instructions)
 - Documentation of program design (when first subject to COBRA) and program updates (through present)
 - Documentation of program monitoring. Monitoring needs to be done by a qualified, independent third party
- To pass the TAMRA portion of an IRS audit, all four check marks are necessary

- COBRA Notifications

- General Notice (overall mailing required when first subject to COBRA, and a continuous mailing to all new insurance enrollees)
- Notice from Qualified Beneficiary of events reported to employer (divorce/legal separation or dependent child ceasing to be a dependent)
- Qualifying Event Election Notice
- Notice of Unavailability
- Notice from Qualified Beneficiary of extensions reported to the employer (secondary events and disability)
- Extension Notification (secondary events and disability)
- Conversion Notification (required if your group health plan has a conversion option)
- Premium Billing Notice
- Open Enrollment Notice
- Notice of Early Termination
- Notice of Insignificant Premium Underpayment
- Notice of Plan Changes (open enrollment)
- Expiration Notice (recommended-not a specific requirement)
- Disclosure to health care provider

Fourteen check marks indicate a complete COBRA program (New DOL Final Regulations issued May 26, 2004, require updating of all notification language)

- Accepting Elections and Premiums

- Premium billing procedures (optional-not a requirement)
- Insignificant premium underpayment procedure
- Complete & accurate disclosure to health care providers
- Cancellation procedures (voluntary and involuntary)
- Verification of correct election

Five check marks indicate proper compliance

- Documentation Systems

- Documentation of each notice sent
- Documentation of COBRA dates (29 dates possible per beneficiary)
- Documentation of notification language updates (1986 to present)
- Documentation of procedural updates (1986 to present)
- Documentation of events reported to employer/plan administrator for divorce/dependent events and disabilities
- Documentation of all oral and written communications with Qualified Beneficiaries

Six check marks may be necessary to PROVE compliance if challenged

If you've just completed the COBRA Compliance Review and you scored less than 100%, Infinisource can help.

Please contact Insurance Office of Central Ohio at 614-939-5471 to find out more information.