



# IntegraFlex COBRA Solutions

Compliance made easy

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# Stability That You Can Trust With Easy COBRA Solutions

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## What is COBRA?

The Consolidated Omnibus Budget Act of 1985 (COBRA) requires that employers with at least 20 or more employees in the last calendar year, sponsoring group health plans, offer employees and their families the opportunity for a temporary extension of health coverage (called “continuation of coverage”).

Companies that fall into this category are required to extend COBRA continuation rights, benefits or coverage to any employee and their dependent covered under the group health plan that has a qualifying event during the calendar year of which the company is eligible. It is required that continuation of coverage be at group rates in certain instances where coverage under the plan would otherwise end. Qualifying events include

- **Termination**
- **Reduction of hours**
- **Death of the employee**
- **Divorce or legal separation**
- **Dependent children ceasing to meet eligibility requirements**
- **Dependent coverage is lost because the active employee becomes entitled to Medicare**
- **Retiree or retiree’s spouse or child loses coverage within one year before or after commencement proceedings under Title 11 (bankruptcy), United States Code.**

## IntegraFlex COBRA Solutions

IntegraFlex COBRA Solutions offers you accurate and precise COBRA administration to reduce unnecessary claims cost and the convenience of handling your COBRA compliance.

**IntegraFlex COBRA Solutions will administer COBRA for you and provide the following services**

- Preparation of new hire—hire notification letters
- Preparation of termination and other qualifying event letters (*Certificate of Mailing*)
- Preparation of dependent qualification letters (*Certificate of Mailing*)
- Preparation of electee cancellation letters (*Certificate of Mailing*)
- Preparation of payment coupon booklet for COBRA electees
- Collection, tracking and remitting of electee premium payments
- Notify COBRA beneficiaries of premium changes
- Notify COBRA beneficiaries when benefits are scheduled to end
- Provide a monthly report to you, the employer, about your COBRA membership
- 24/7 Administrator Online Access to send COBRA notifications to IntegraFlex COBRA Solutions via our Web-based COBRA system
- 24/7 Qualified Electee Online Access and Customer Support

**IntegraFlex COBRA Solutions does not provide**

- Memos or notices to employees regarding benefit changes; as well as, the benefit booklets or contracts associated. Your company should send these documents to the COBRA members at the same time that active employees are notified.
- Open enrollment information

# COBRA Compliance Requirements

- If you maintain an employee health plan which you sponsor for your employees and you averaged 20 or more employees in the last calendar year, you are required to offer COBRA to your employees.
  - Employees only need to be covered under the health plan for one day to be eligible for COBRA continuation.
  - Every employer with 20 or more employees is required to notify each employee and their eligible dependent(s) about their COBRA rights when they first become covered under the group health plan.
  - Each time coverage is lost due to a “Qualifying Event” employers are required by federal law to notify the employee within 30 days of the “qualifying event” even if the employee states that he or she does not want or need to continue benefits under COBRA. This notice must be sent to the last known address and separate notifications must be sent to the employees eligible dependents should they live at a separate address.
  - Employers must allow continued coverage for employees and their eligible dependents for up to 18 months as a result of unemployment or reduction in hours. Additionally, an employer may elect to continue coverage for up to 36 months for other Qualifying Events such as:
    - **death of the employee**
    - **divorce or legal separation**
    - **dependents that cease to be a “dependent” under the terms of the group health plan**
    - **an employee losing coverage because of Medicare Eligibility.**
  - Qualified dependents (an employee’s spouse or dependent child who is covered on the day before the Qualifying Event) are entitled to elect to continue their coverage, within 60 days of receipt of the COBRA notification.
  - The same health benefits offered to active employees must be available to COBRA qualified dependents. Dependents may also choose from the “core” coverage or other health benefit options offered to active employees.
  - Employees who elect to continue benefits after a qualifying event may be allowed to add new dependents under their extended coverage and also change benefits annually if the option is available to active employees. This continued coverage must be offered to eligible employees even if the group falls below 20 full or part-time employees.
  - Initial premium payment for continuation must be received within 45 days after the date of election by COBRA participants. A grace period of no less than 30 Days would be required for all subsequent premiums.
  - COBRA qualified employees are billed the group’s active health plan rates plus an additional 2% administrative expense by the COBRA regulation.
- If the Social Security Administration determines that the qualified beneficiary is considered disabled under Title II or XVI of the Social Security Act within 60 days of the qualifying event, the continuation period must be extended for 29 months from the qualifying event rather than 18 months. Once the beneficiary is eligible for Medicare, COBRA coverage will cease.
  - COBRA coverage must be continued even if an exclusion or limitation with respect to any pre-existing condition affects a continuant’s coverage.
  - Following the expiration of COBRA coverage, the qualified continuee must be offered continuation coverage under any conversion plan that is available to the groups employees.
  - COBRA compliance is serious, therefore, it is advised that legal consultation supersede any COBRA compliance overview in this brochure. Judicial decisions are subject to change at any time. If you are ever in doubt, please contact an attorney.

## How to Enroll Your Group

To utilize IntegraFlex COBRA Solutions, simply complete the **Employer COBRA Administration Set-Up Forms**. Please be sure to list your company name as it appears on your Employer Sponsored Group Medical, Dental and Vision plan group applications. The contact person should be the name of the employee or group administrator who is appointed to discuss benefit or COBRA questions from IntegraFlex with your employees.

Your IntegraFlex marketing representative will complete the remainder of the form with you. Additional information will be required if you company currently has COBRA participants prior to joining/enrolling with IntegraFlex COBRA Solutions.

A **COBRA Solutions Member Notification** must also be completed for any/all future eligible participants and submitted via our Web Portal. Your IntegraFlex representative will instruct you on how to submit via the web portal.

The COBRA effective date is the date this service should go into effect with IntegraFlex.

Contact your marketing representative if you have any questions regarding the COBRA enrollment process.

**Please Note: A service agreement** (located within the Employer COBRA Administration Set-Up Forms) must also be completed at the time of your enrollment. This form provides an overview of the services performed by IntegraFlex COBRA Solutions and outlines the obligation of your group in the provision of information to us for the purpose of COBRA administration for you.

# How to Handle a Qualifying Event

An employee or any dependent needs to be covered by your group health plan for only one day to become eligible for COBRA continuation of coverage.

Any of the following events that would cause the employee to lose health care coverage is considered a qualifying event:

- Termination of the employee's employment for any reason other than "gross misconduct."
- Reduction of the employee's work hours that would result in the loss of health coverage.
- Death of the employee.
- Divorce or legal separation.
- Dependent child ceases to meet the eligibility requirements to continue health coverage under the regular health plan.
- Dependent coverage is lost because the active employee or COBRA continuee becomes eligible for Medicare.

The IntegraFlex COBRA Solutions Member Notification Form must be completed whenever one of the qualifying events occurs, or you may use CSWA. This form can be sent to the IntegraFlex COBRA Solutions office at any time. However, you should **NOT** wait longer than **30 days** after a qualifying event to notify IntegraFlex Solutions.

IntegraFlex COBRA Solutions will notify the qualified beneficiaries within 14 days following the receipt of this form from you. If you use IntegraFlex COBRA Solutions Web Access, the notifications are mailed the following business day. ***It is important that this form be completed in its entirety.***

## COBRA Notice to Employees

As an employer, you are required to notify new and all active employees and their dependents, covered on the health plan, of their COBRA rights. The COBRA notices should be given to each employee when he or she is hired and should be addressed to the employee, their spouse and eligible dependents.

If you have not provided this notice, please be sure to let us know and we will send it to the employee's current home address for you. Please note: If you have questions regarding the "COBRA Notice to Employees," please contact IntegraFlex COBRA Solutions at 1.877.287.0310 or via email at [cobra@integra-flex.com](mailto:cobra@integra-flex.com) or your attorney for legal advice.

## Premiums

As a new group to IntegraFlex COBRA Solutions, we will begin billing your COBRA participants the appropriate premium following your group's enrollment and the members being placed in the IntegraFlex COBRA Solutions system. IntegraFlex COBRA Solutions will begin sending a set of premium payment coupons to the members who enroll. If you have been billing premiums for COBRA participants, please discontinue, as IntegraFlex COBRA Solutions will do this for you.

All members utilizing COBRA continuation coverage at the time you enroll on the service (existing COBRA participants) will receive premium payment coupons to pay future months' premiums. Should you receive premium payments from these members, please return the payment to them and inform them that IntegraFlex COBRA Solutions will bill them directly. As new members enroll in COBRA continuation coverage, they will receive premium payment coupons. These coupons will reflect your applicable group premium plus the administrative percentage allowed by COBRA regulation, which is usually 2%. The members will be required to pay premiums on the first of each month with premiums considered past due after the 30th of each month. Coverage is automatically cancelled if premiums are not paid by the 30th of the month. This is in accordance with the COBRA regulation and strictly adhered to by IntegraFlex COBRA Solutions. Exceptions occur when premiums are received in our office after the 30th but postmarked on or prior to that date.

Monthly premium payments must be paid in full. IntegraFlex COBRA Solutions does not allow premiums to be broken into smaller increments. However, should a qualified beneficiary desire, they may make payment for multiple months at one time. Any amounts paid in advance will be subject to rate increases that may occur in your groups rate. Should a premium increase occur, the member will be required to pay the additional premium. Likewise, should a rate decrease occur, a credit will be given to the member.

The first month's premium may be prorated if cancellation of coverage occurs other than the first of the month. If you allow coverage to continue through the end of the month in which cancellation occurs for your active employees, IntegraFlex COBRA Solutions will reflect the same. The first month's premium will be adjusted accordingly.

### We're Here for You — 24 Hours a Day, 7 Days a Week!

IntegraFlex's industry-leading, web-based technology provides you with the tools and resources necessary to determine how to maximize your benefits and tax savings by participating in a Flexible Benefits Plan.

## For Fully-Insured & Self-Funded Groups

Depending on which Fully-Insured carrier or TPA your coverage is with, IntegraFlex will refund premiums received for your members to you on a monthly basis. These refunds are sent out around the 15th of the following month when reports are generated. However, some carriers & TPA's are willing to set up a COBRA Sub-Account allowing us to send the Qualified Electee COBRA premiums directly to them. In which case, we will do so. If you have a renewal premium increase or decrease, please notify IntegraFlex COBRA Solutions of the new amount. Following this notice, IntegraFlex COBRA Solutions will bill your members accordingly.

Should a member decline coverage during their 60-day election period, and later decide that they would like COBRA continuation coverage within the 60-day period, coverage will only be extended from the date the member affirms their decision to continue coverage. This means that a lapse in coverage may occur. In this situation, a member may have pre-existing waiting periods apply or other contract obligations that occur when a lapse in coverage occurs. Please see your contract for information concerning lapses in coverage.

At any time, a member may elect to enroll in an individual health care coverage product. Should a member want to examine individual products, they should contact an insurance professional nearest them for more information. These health care coverage products may be chosen instead of COBRA continuation coverage. Medical Underwriting and pre-existing condition waiting periods will apply.

COBRA continuation coverage is not allowed when other group coverage is elected following the COBRA continuation coverage election. This also includes Medicare coverage following the COBRA effective date. Please contact IntegraFlex COBRA Solutions at 1.877. 287.0310 for more information.

## Coverage

COBRA continuation coverage participants are entitled to the same coverage offered to active employees. Any previously satisfied deductibles, stop loss amount or coinsurance will be credited to the members record. The COBRA participant usually has the same contact or member number that was assigned under the group program. The group number will change to reflect that the member is now covered through COBRA. This will have no affect on benefit or benefit levels.

The member is entitled to continue the same health benefits that were available through active employment. A member may elect to continue health coverage only. This option will be available if the member desires. IntegraFlex COBRA Solutions will help the member with this election. If there are any questions about this procedure, please contact IntegraFlex COBRA Solutions.