AMERICAN BENEFITS GROUP
My COBRA Resource

American Benefits Group - COBRA Implementation

Our team of dedicated professionals will work closely with you on every facet of the planning and implementation stages. Every detail of your COBRA program will be reviewed to give you complete confidence that your COBRA requirements will be accurately met.

The completion of the Plan Information Worksheet is the first step to implement our COBRA administration services. The thorough plan set-up ensures that all specific employer plan design aspects will be carefully addressed to comply with governmental regulations.

We'll work with you to develop an implementation time-line that considers your needs while ensuring adequate time for data conversion and quality control. Once the system has been set up, data conversion begins. This includes loading information on current and new COBRA participants. As soon as the information has been entered, your current qualified beneficiaries and those who are already COBRA participants are notified in writing of ABG's role in their COBRA administration. For you, it's as simple as 1-2-3!

Administration Services

Efficient processing of administration services is one of our hallmarks. *And* we keep you informed every step of the way. Here is a breakout of the many responsibilities and tasks we perform for you as part of our COBRA administration and processing:

- Examination/reconciliation of current COBRA participants' account status for takeover
- Ongoing U.S.P.S mailing of qualifying event notices with proof of mailing
- Expedient review and processing of COBRA elections
- Provide payment coupons to new participants
- Numerous written communications and reminders to participants and qualified beneficiaries regarding their account status, including eligibility for COBRA disability extensions (all communications are archives as PDFs in the QB record)
- Immediate notification to you of new elections or termination information
- Premium collection from participants, including notices of partial or late payments
- Prompt delivery of a monthly consolidated check to you for all received COBRA premiums
- Toll-fee Customer Care Center support
- Employer reports generated on demand 24/7 the Client Portal (and Broker Portal)
- Appropriate distribution of HIPAA certificates when COBRA coverage is discontinued or expired
- Annual reprinting and mailing of new payment coupons to all participants affected by your benefit plans' premium renewal rates
- Minimum seven (7) year archival of data for compliance
- Technical assistance on questions about COBRA administration or compliance at no additional cost
- Distribution of newsletters to advise you of any changes in the regulations that affect COBRA

Standard Reports
Reports can be generated on demand in the client, broker and administrator portals and can be downloaded in numerous data file formats or as PDF files

Member Status Report
The Member Status Report can be run real-time and system-wide. Data is sorted by client, then plan, then status and displays the members Full Name, Type, SSN, Coverage Description, Event First Day of Coverage, Termination Date and Monthly Premium.

Carrier Notification Report(Pending)
Carrier Notification Reports are run real-time and displays all unprocessed carrier notifications. The report lists the Client Name, Client Division and Carrier Contact. It displays Plan Name, Policy number, Carrier Name, Carrier notification Type, Name of the Member, SSN, Sex and Effective Date.

The following types will be displayed:

- Reinstatement (election)
- Termination
- Termination, dependent(s) only
- Disregard termination
- Address/Name Change
- Status (coverage level) change
- Plan added
- Plan add, dependent(s) only
- Disability extension
- Month-End Update

Carrier Notification Report (Processed)
Carrier Notification Reports are run real-time and displays all processed carrier notifications. The report lists the Client Name, Client Division and Carrier Contact. It displays Plan Name, Policy Number, Carrier Name, Generated Date Time, Carrier notification Type, Name of the Member, SSN, Sex and Effective Date.
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- Reinstatement (election)
- Termination
- Termination, dependent(s) only
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- Address/Name Change
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- Plan added
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- Disability extension
- Month-End Update
- Proof Of Mail

Proof of Mail Report

The Proof of Mail report run real-time by a date and provides a list of letters that were generated on the specified date. The report displays the Client Name, Client Division and is sorted File Name, Letter Name, Addressee and Address.

Plan Rate Renewal
The Plan Rate Renewal report is run real-time shows plans that renew in the next 30,60,90 days or have renewed within the past 30,60,90 days. The report displays Client Name, Client Division and the Criteria. It is sorted by Plan Name, Policy Number, Carrier, Enrollment Contact, Phone, Effective Date, End Date and Renewal Date

Paid Through Report
The Paid Through Report is run real-time and shows the paid through date of all currently enrolled members in COBRApoint. The report displays Client Name, Client Division and the Member Type. It is sorted by Name, SSN, Qualifying Event Date and Paid Through Date.

Generated Letters Summary Report
The Generated Letters Summary Report is run real-time and shows a total of all system generated letters for a date or date range. The report displays Client Name and Client Division. It is sorted by Letter Description and Quantity.

Generated Letters Detail Report
The Generated Letters Detail Report is run real-time and shows the detail of each system generated letter for a date or date range. The report displays Client Name and Client Division. It is sorted by Letter Type, Addressee, Member Type, Date Generated and Quantity.

Accounting Reports

Subsidy Schedule Report
The Subsidy Schedule Report displays a list of Members that have subsidized premiums within a certain date range. This report displays the following Client Name and Client Division. It is sorted by Start Date, End Date, Type, Name, SSN, Insurance Type, Type and Subsidized Portion.

Remittance Report
The Remittance Report works much like a General Ledger system for the administrator. Your administrator has the flexibility to remit on whatever frequency is chosen and may choose to remit all non-remitted allocated premiums or only those non-remitted allocated premiums through a specific premium month. Please contact your administrator for more details regarding the remittance process.

Exporting Reports
All reports generated by the client portal are exportable to PDF and CSV. After running a report, the user may choose to save it as PDF file. Reports can be exported to CSV and then saved as either a .csv file or .xls file, which would allow the employer to create custom reports if needed.

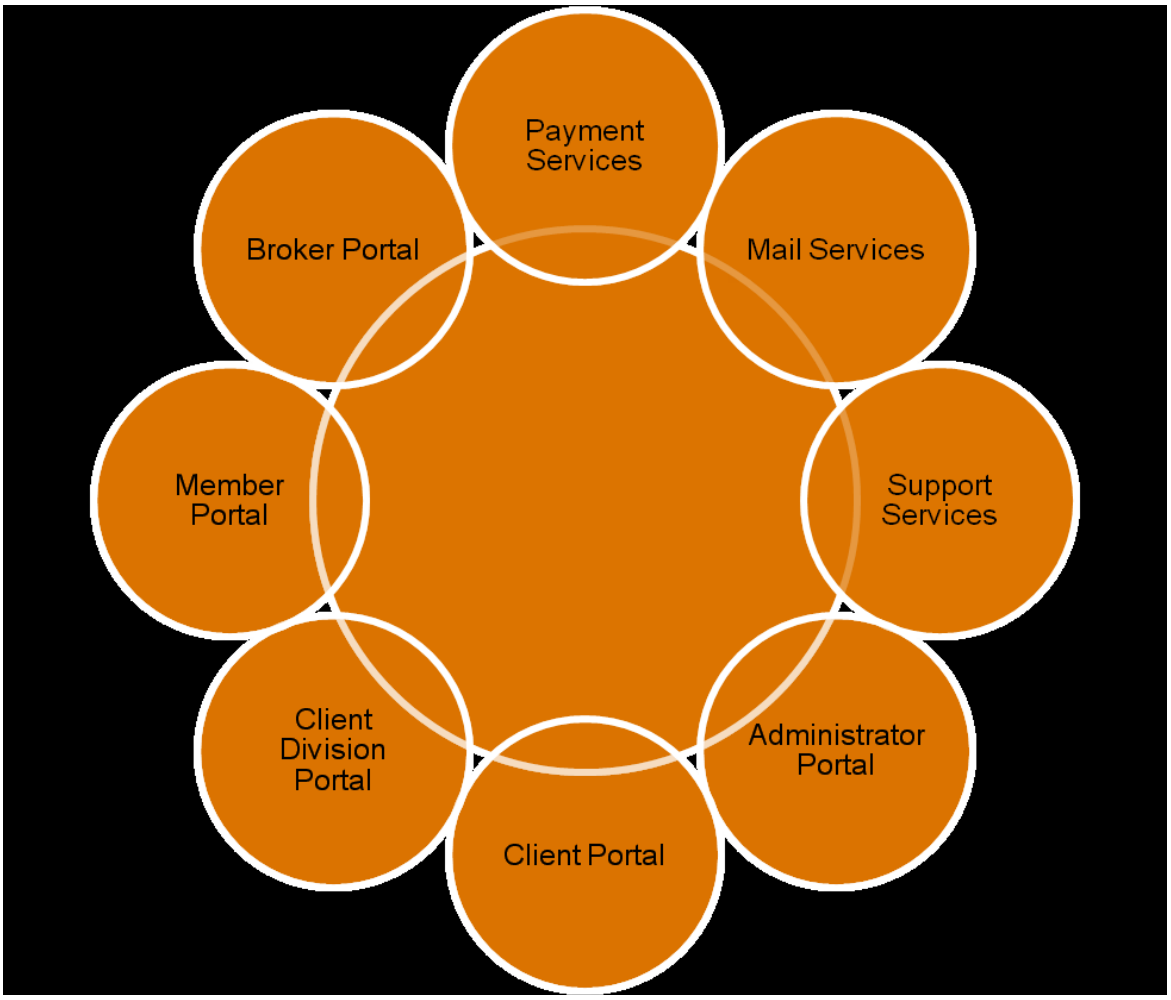
Reconciliation

The following flow charts illustrate how COBRA administration with American Benefits Group operates.

The employer notifies ABG of a qualifying event via the QE Wizard in the employer portal or via EDI file process. If EDI file, we immediately import the information into our COBRA software system. Notices of election rights are sent to all eligible participants by U.S.P.S. proof of mailing service. Notices of end of eligibility rights are additionally sent out if participant fails to respond in a timely manner. Our services include direct interaction with the employer and COBRA participant. Individual reinstatements and cancellation notices are normally sent to the client for submission to the carrier. ABG does provide eligibility management directly with the carriers as an optional service. Please see our **COBRA Flow Chart** for additional details of this process.

Once a participant has notified ABG of his/her election choice, billing coupons are issued to participants for the time period remaining for the current rates. When rate changes occur at plan renewal, ABG updates all rates in our COBRA system and reissues coupons for the remainder of the next rate period, or for the remainder of the COBRA period, whichever is applicable. Please see our **COBRA Billing Process** flow chart for more detailed information.

ABG provides payments coupons to the participant. When a participant provides payment, his/her payment is entered into the system. The system verifies the records and reviews it for notation of any payment shortages or overages. ABG pursues any shortage of payments directly with the participant. A letter will immediately be sent to the COBRA participant for any payment shortages, insufficient checks, or stop payments. If payment is not made within given time frames, a notice of cancellation is automatically sent. Credits are held and applied to future payments due. Please see our **COBRA Collection & Reconciliation Process** flow chart.



Payment/Services

Our COBRA and Direct Billing clients benefit from the industry's first ever system built to precisely optimize custodial cash management. Our Payment Services solution extends this core functionality by operating as a postmark date aware professional lock-box service specifically designed for the requirements of COBRA and Direct/Retiree Bill premium processing.

Payment Options For Members:

- Personal Check or Money Order
- Auto Bank Pay
- Credit / Debit Card
- One-time ACH
- Scheduled/Recurring ACH

Mail Services :

- 100% hands-off, unattended mail fulfillment with virtually limitless capacity to scale
- End to end processing service specifically engineered for COBRA and Direct/Retiree Billing administration ensuring same day letter printing/mailing and proof of mail reporting
- Current processing capacity of 1,000,000 first class letters each day
- Built and managed by a professional team using state of the art technology, processing and industry best practices
- APS mail facility employs the most stringent physical and data security protocols to ensure HIPAA, GLB, and PCI compliance
- APS mail facility is ISO 9001:2008 Certified, USPS MPTQM certified, and SAS 70 Type II reviewed.
- In-line and automatic Quality Assurance auditing during your mail processing cycle
- Direct contractual relationship between American Benefits Group and Allison Payment Systems
- Each processing night, Benaissance (COBRApoint) SaaS systems generate, encrypt, and automatically send via secure FTP all out bound letter files to APS. No intervention is required by TPA/Health Plan
- Complete traceability and 360° on-demand view of the entire process
- 100% archival of all system generated letters – on demand view in client and participant portals

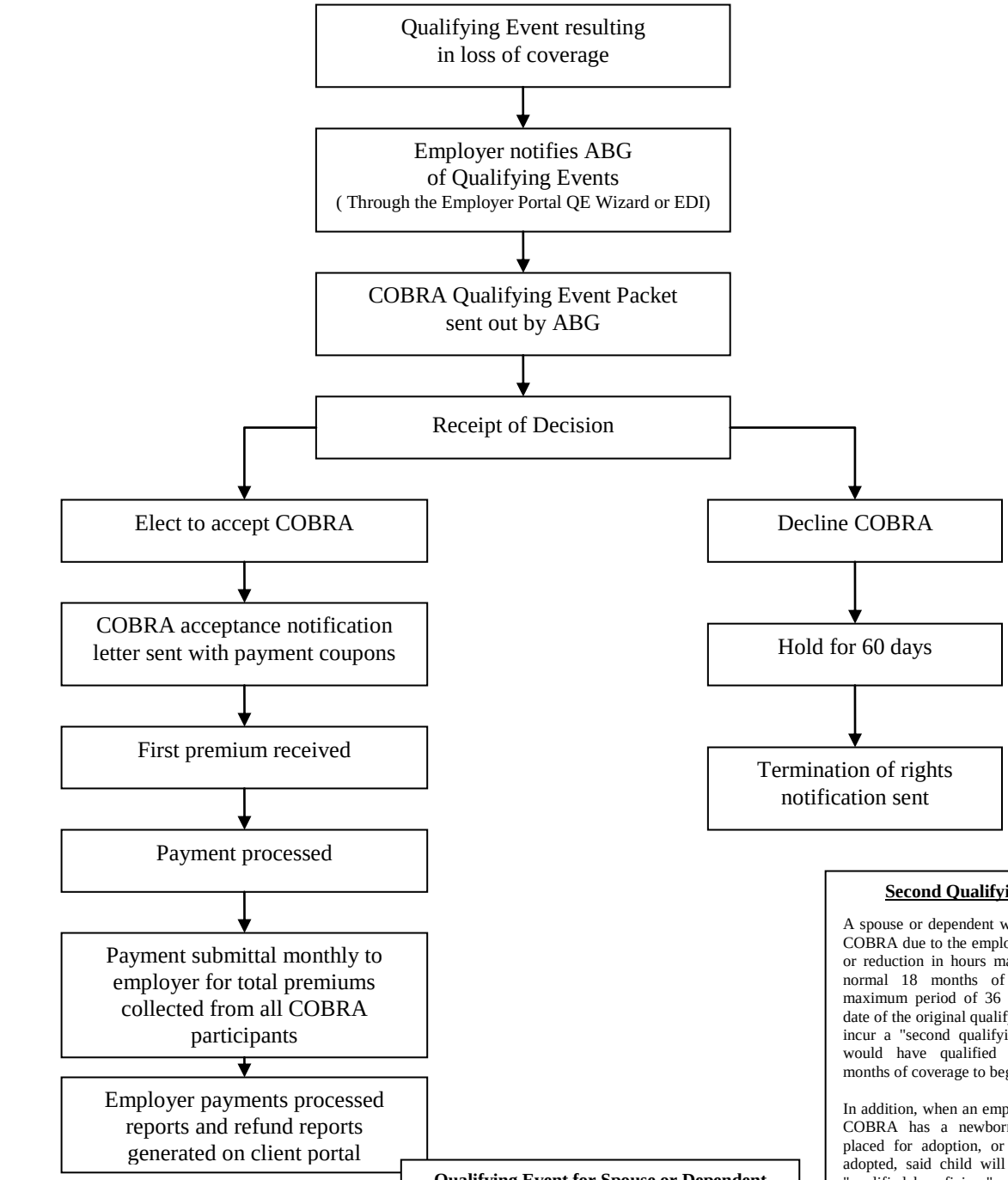
Custom Letter Utility

This feature empowers customers to manage complicated open enrollment communication, special notifications and letters in any combination of client, client division, member(s) and insurance type(s) with just a few clicks. Additionally, Customer Letter supports the dynamic insertion of PDF attachments based upon configurable rules.

Member Portal Online COBRA Elections and Electronic Payments

COBRA Qualified Beneficiaries have the ability to securely access their Member Self-service Portal and complete their entire COBRA election process, including selecting any combination of plan and coverage level downgrade. Further, the QB is able to make either a **credit/debit or virtual check** payment to finalize their election decisions

COBRA FLOW CHART



Qualifying Event for Qualified Employee

1. Termination of employment (for any reason other than gross misconduct); or
2. Reduction in hours of employment.

Qualifying Event for Spouse or Dependent

1. A covered employee's termination of employment (for any reason other than gross misconduct), or reduction in hours of employment;
2. A covered employee's death;
3. A spouse's divorce or legal separation from a covered employee;
4. A covered employee's entitlement to Medicare; or
5. A dependent child's loss of coverage due to no longer being a "dependent" under the benefit plan.

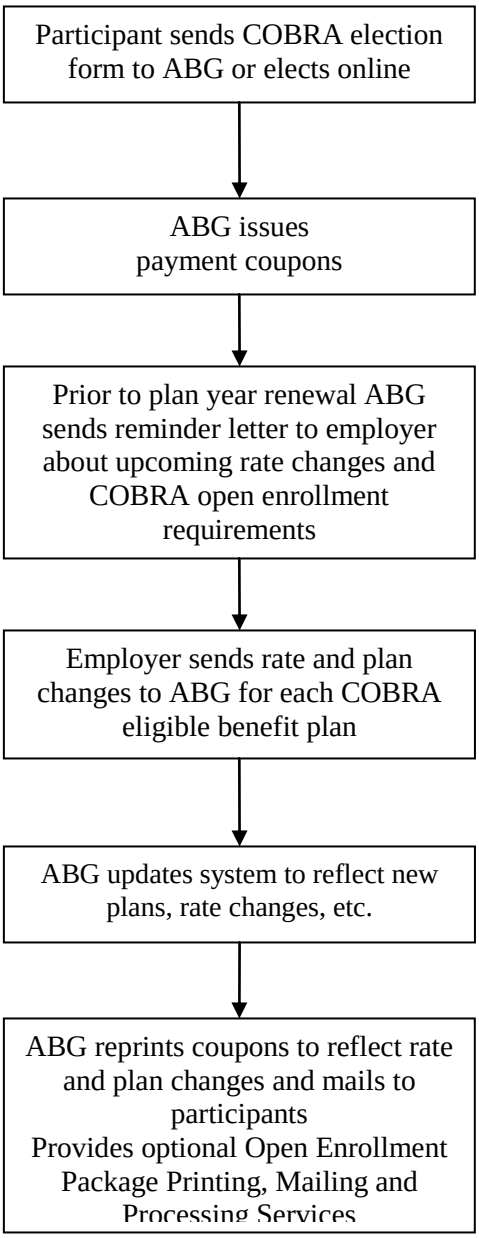
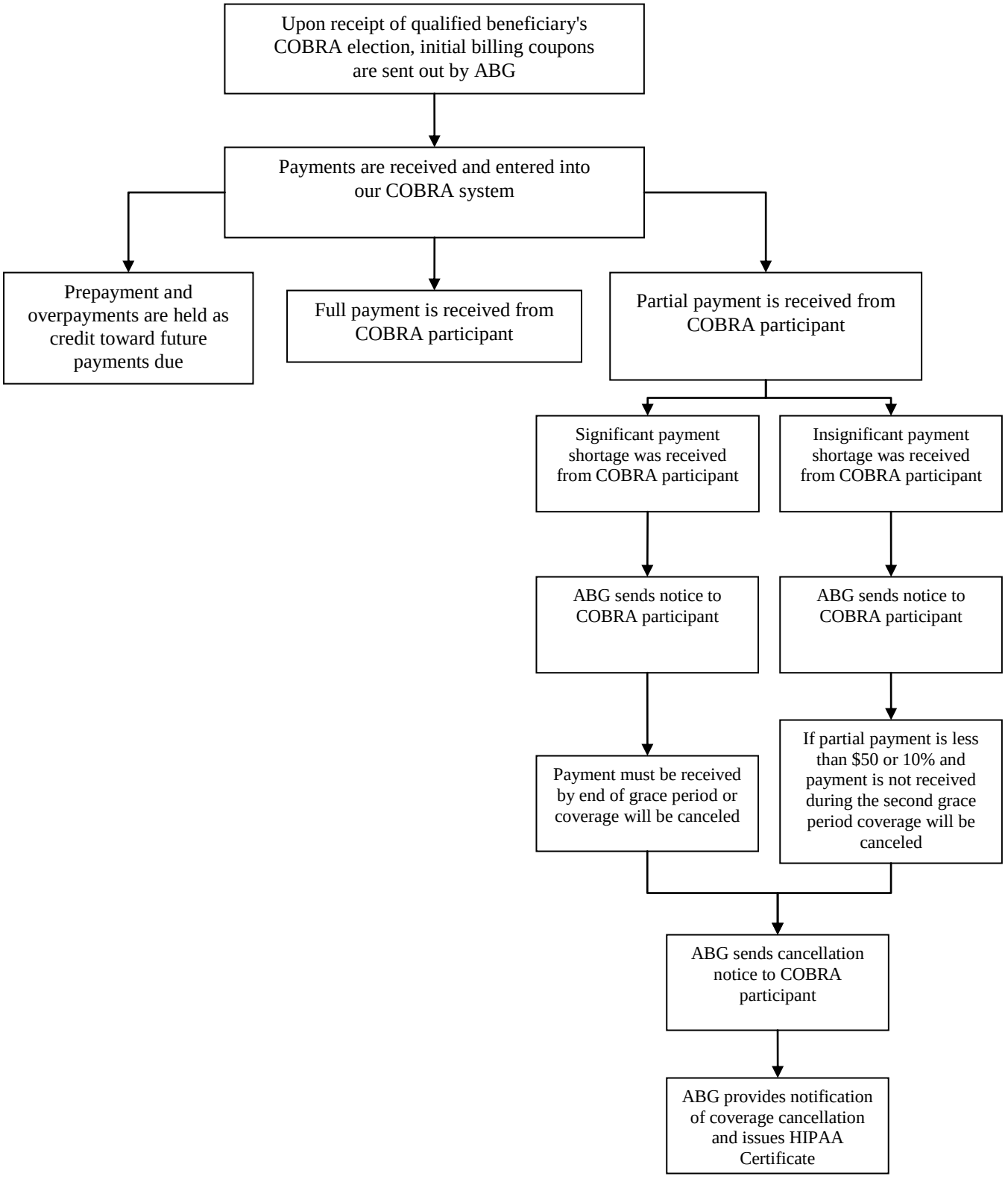
Second Qualifying Event

A spouse or dependent who is covered by COBRA due to the employee's termination or reduction in hours may extend his/her normal 18 months of coverage to a maximum period of 36 months from the date of the original qualifying event if they incur a "second qualifying event" which would have qualified him/her for 36 months of coverage to begin with.

In addition, when an employee covered by COBRA has a newborn child, a child placed for adoption, or a child actually adopted, said child will be considered a "qualified beneficiary" and entitled to an extension of coverage up to 36 months from the original qualifying event date.

If a qualified employee experiences termination of employment or reduction in work hours and they (or a covered dependent) are determined disabled under Title 11 or XVI by the SSA (during the first 60 days of COBRA coverage) the coverage will be extended from 18 to 29 months.

COBRA BILLING PROCESS



COBRA COLLECTION & RECONCILIATION PROCESS