

COBRA GAME PLAN

A 7-Point Strategy to Ensure
Your COBRA Administration
Is Complete and Compliant



THE INITIAL NOTICE

Send the Model General Notice of COBRA Continuation Coverage Rights, aka the initial notice or new hire notice, to all employees currently enrolled in medical, dental, or other COBRA eligible plans (and covered spouses or dependents, if any) within 90 days after first enrolling in any COBRA eligible plan. This notice must be sent again following the addition of a spouse or dependent for benefits.



ACCESSIBILITY

If you are outsourcing your COBRA administration, be sure you have appropriate website access to report new enrollees, COBRA events, and to view participant information and payment status.

Have up-to-date contact information for all brokers, consultants, carriers, and benefit vendors on file.



KNOWLEDGE, TRAINING & PROCESS

If you are administering COBRA “in-house,” it is important to have a written step-by-step process for your COBRA administration and a resource for COBRA training because these are subject to inspection during an IRS or DOL audit.



ADDITIONAL NOTICES

Along with the General Notice and COBRA Election Notice, be prepared to send additional, required COBRA notices, i.e. ineligibility, disability, termination, etc.



COLLECTING PREMIUMS

Establish proper processes to bill and collect premiums for those on COBRA. If you are outsourcing COBRA, most vendors offer the flexibility to collect premiums via credit and debit cards or via direct ACH from an authorized bank account.

Paper checks could be problematic, particularly during the current COVID health crisis, if the checks are mailed to an office that is not open or staffed.



ACCURATE DATA

Verify your employees’ address information as best practice. The legal standard for COBRA compliance is mailing the notice to the last known home address of the employee.



PROOF OF COMPLIANCE

Maintain copies of all letters and notices you send, as well as all correspondence received.



CBIZ Human Capital
Management

CBIZ offers a turnkey COBRA service that provides everything you need to stay in compliance with the law, reduce your administrative costs, and ease your financial liability.