EMPLOYEE SOLUTIONS GROUP

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COBRA*Flex* Administration

Frequently Asked Questions (FAQs)

What is a COBRA?

COBRA is a federal statute, an acronym for the Consolidated Omnibus Budget Reconciliation Act.

- COBRA is a federal law that allows benefits eligible employees called Qualified Beneficiaries (QB) the right to continue employer provided group benefits. This is called "continuation coverage." It provides coverage for a limited time after QB employment ends or experiences a loss of coverage including covered dependents of the QB.
- In general, COBRA only applies to employers with 20 or more employees. However, some states require insurers covering employers with fewer than 20 employees to let QB keep group coverage for a limited time. Controlled groups are generally combined for COBRA counting purposes when common ownership exists.
- In situations that require COBRA continuation, COBRAFlex sends the notice which summarizes the coverage and cost of the plans, along with the coverage end date. The Notice will offer QB the right to elect COBRA continuation coverage.
- COBRA coverage generally is offered for 18 months (36 months in special circumstances).
- The employer communicates to COBRAFlex the terminations, resignations or loss in coverage within 14 days of the Qualifying Event. Loss of coverage events may occur because the covered employee died, lost their job, resigned, lost eligibility or became entitled to Medicare. Once COBRAFlex is notified, the plan notifies the QB of the right to choose COBRA continuation coverage.
- The Plan Sponsor (Employer) or the covered employee needs to communicate with COBRAFlex in cases of divorce or legal separation (court-issued separation decree) from the covered employee, or changes in status of a dependent child or dependent adult child who's no longer a dependent.

When an Employee Resigns or is Terminated, what are Plan Sponsors responsibilities?

- The primary responsibility is to login to the COBRAFlex portal and enter the Qualifying Event (QE). This is accomplished at the web portal: https://www.mytpaonline.com/login.aspx. You will need your user name and passcode to secure access. The required data is noted on the portal and includes names of QB and dependents covered, coverages, reason for loss of coverage and date of the Qualifying Event.
- IMPORTANT: COBRAFlex recommends that the employer terminates coverage when a QE event occurs. The carrier will reinstate coverage when formal COBRA election is received, and payment submitted to COBRAFlex. COBRAFlex will remit collected premiums to the employer. Please review carrier invoices to confirm termination has been processed by the carrier.
- This is often a service that your broker may assist with, as they are often the communication link with the group plan carrier.

Do I need to send out COBRA notices?

- No, COBRAflex takes the responsibility to send all required notifications. The notifications include a formal COBRA Election form that the QB is required to complete, sign and return to COBRAFlex. COBRAFlex will notify the broker and / or carrier that coverage is to be reinstated back to the loss of coverage date.
- Coverage is only reinstated once the QB remits the required premium to COBRAFlex. COBRAFlex requires the payment to be submitted, to protect the employer against unnecessary premium loss.

Does COBRAFlex issue the New Employee Initial Rights Notification?

- Yes! Per regulations, employers are responsible for issuing COBRA Initial Rights Notification. COBRAFlex will provide you with the tools to handle this requirement a couple ways:
- Option 1 – Employer may login to the COBRAflex portal, enter names and contact information, we will mail directly to the new employee the Initial COBRA Rights Notification letter via USPS.
- Option 2 – COBRAFlex will create and update the Initial COBRA Rights Notification, which will be forward to the employer and customized for their use. This can be inserted into the New Employee hire package or added to the online enrollment portal.

Does COBRAFlex collect premiums and issue termination of COBRA coverage notices?

- COBRAFlex collects the formal COBRA election, issues payment coupons, collects premiums and remits the premium back to the employer. COBRAFlex will notify the designated contact that the election reinstatement is in order. This maybe the employer or designated broker contact.
- COBRAFlex captures this information during setup and sends the employer a summary, called the “Client Engagement Agreement”. The Client Engagement Agreement defines the responsibilities / procedures of the employer, COBRAFlex and brokers.
- Collection of Premiums: COBRAFlex remits all premiums collected to the employer via an ACH payment. It is critical that an ACH bank routing number and bank account number is provided in the setup process. COBRAFlex collected premiums are remitted to the employer around the 15th day of the month after the calendar quarter.

When a QB fails to make a timely premium payment, how is COBRA coverage cancelled?

- If the QB fails to make timely payment, COBRA continuation coverage is terminated. COBRAFlex will instruct the employer and / or broker contact to terminate coverage for non-payment. Notification contacts are stipulated in the Client Engagement Agreement discussed in #5 above.
- The COBRA statute stipulates that the QB is entitled to a payment Grace Period of 30 days. Special statutes, like the American Rescue Plan have offered extensions from typical Grace Periods. COBRAFlex will keep you in compliance with these exceptions to the general rules of COBRA.

Can I see the current status of COBRA events, premiums paid, and remaining months of COBRA continuation?

- The COBRA administrator, at the web site referenced in #2, can secure up to date status Reports on every COBRA QB. Data is updated daily, and provide clients a snapshot of all COBRA events in process.

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Contact us with questions:

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