

**Version**

**21.x**

**COBRA ADMINISTRATION MANAGER**

**COBRA SOLUTIONS, INC.**



**Software Manual**

COBRA ADMINISTRATION MANAGER

# Software Manual

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# Liability Release

COBRA Solutions, Inc. has created the COBRA Administration Manager to meet the requirements of the Federal COBRA legislation. Some States may have additional requirements whereby the user is responsible for updating the COBRA notifications to satisfy State laws.

It is not the responsibility of COBRA Solutions, Inc. to notify users of any changes to Federal or State law. If changes occur, it is the user's responsibility to contact COBRA Solutions, Inc. to see if an update has been produced satisfying the new requirements.

COBRA Solutions, Inc. utilizes the Department of Labor's (DOL) COBRA letters as base-model notifications. It may be required that the user receive approval by their legal council prior to the software's letters being distributed. Notifications may be edited (with the ability to insert variable information) so the user may change the letters to meet their legal council's recommendations. COBRA Solutions, Inc. (nor its software re-sellers) shall be held responsible for any legal action taken against the user (or user's organization) in any aspect of the program operation or its documents for COBRA noncompliance.

The COBRA Administration Manager should be used as a tool for the administration of the Consolidated Omnibus Budget Reconciliation Act of 1985. In no terms shall the user assume they will be held harmless from penalties or lawsuits if they utilize this software.

If the user does not agree to these terms, please return the software within thirty (60) days for a refund.

# Year 2000 Compliance

This statement is designated as COBRA Solutions, Inc. “Year 2000 Readiness Disclosure” Pursuant to Sec. 7(b) of the “Year 2000 Information and Readiness Disclosure Act”, (S.B. 2392, Oct. 1, 1998).

COBRA Solutions, Inc. redesigned the COBRA Administration Manager software so to process, store, record, create, correctly calculate, and present calendar dates falling before, on and after January 1, 2000 (including leap years). The COBRA Administration Manager will not lose any functionality before, on or after January 1, 2000, and will not lose any functionality with respect to the introduction of records containing dates falling before, on or after January 1, 2000.

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## The COBRA Legislation

The following offers a brief description of the COBRA legislation. Please review so you'll have an understanding as to why and when you need to utilize this specialty software program.

### History of COBRA and Your Responsibilities

In 1985, Congress passed the Consolidated Omnibus Budget Reconciliation Act (COBRA) which was a potpourri of legislation affecting defense, Medicare, agriculture, housing and numerous other Federal programs. For most employers, COBRA is the law that provides employees (or covered dependents) that have experienced a "qualifying event" the right to continue their group health care coverage.

Congress viewed studies that indicated adequate health care coverage was not available to many Americans under age 65 due to pre-existing conditions, high premiums or difficulty in finding carriers to take them on an individual basis. The studies also illustrated that sixty-six (66%) percent of an estimated thirty-three million had some relationship to an employer or previous employer. Henceforth, the law's implementation now places the responsibility of offering continuation coverage on the employer.

The law was ambiguous in its original form and therefore has been changed or clarified six (6) times. In its current state, the legislation places the following requirements on all employers with twenty (20) or more employees that offer a group insurance program (with an exception of churches and the Federal Government):

- 1) COBRA's General Notice to all employees;
- 2) Notify employees/dependents who experience a "qualifying event";
- 3) Notify qualified beneficiaries if they are not eligible to continue coverage;
- 4) Monitor COBRA election periods;
- 5) Monitor COBRA Participant's time frames;
- 6) Collect funds for COBRA monthly premiums;
- 7) Notify COBRA Participants if their payment is short by an "insignificant" amount
- 8) Notify COBRA Participants of Conversion privilege; and

- 9) Send notification of termination when coverage is cancelled prior to end the of the COBRA term.

The law asks that you provide initial COBRA notification to all employees and covered dependents explaining their rights under the law. It is recommended you send this “General Notice” to the employee and a second one to covered dependents if they reside at a different address. A copy of the General Notice should also be part of your new employee information packet and/or Sample Plan Description (SPD) provided to your employees. If possible, have employees sign that they received a copy and place it in their personnel file.

Effective August 21, 1996, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) was signed into law. HIPAA both clarified and modified elements of COBRA and below are some of the major changes HIPAA made to COBRA:

1. The definition of a “Qualified Beneficiary” was expanded to include a child born to (or placed for adoption with) a COBRA Participant during the COBRA continuation period.
2. The “Disability Extension” was clarified to mean either the employee or covered dependent who was disabled prior to or in the first sixty (60) days of COBRA would be eligible to continue COBRA coverage for up to twenty-nine (29) months. The disabled person still must be considered disabled by the Social Security Administration (SSA) within the initial eighteen (18) months and provide written documentation to the employer illustrating SSA’s determination. Once received, all family members enrolled on the plan may continue coverage during the eleven (11) month extension.
3. HIPAA clarified when employers may terminate COBRA coverage on Participants that receive similar coverage under another group plan. Because the law limits the waiting periods place on medical pre-existing conditions (twelve months for timely enrollees, eighteen for late), employers may now terminate a COBRA participant if the person has enough prior coverage credit to eliminate any pre-existing condition limitation. (Even though this provision provides employers the right to terminate COBRA coverage, it will be one of the first issues challenged in court.)
4. Medical Savings Accounts (not to be confused with Medical Reimbursement Accounts/Flexible Spending Arrangements under a Cafeteria Plan) no longer must be included as a COBRA offered plan.
5. COBRA Participants may withdrawal funds from an IRA without the ten (10%) percent penalty to pay for COBRA premiums. For this provision to apply, COBRA Participants must have received unemployment compensation under Federal or State law for at least 12 weeks.
6. Anyone losing coverage from a group plan will receive “monthly credits” to reduce a new group plan’s pre-existing condition limitation. A Certificate of Coverage must be provided detailing recent group insurance coverage under the plan the person is being terminated from which should be shown to the new employer. If the individual goes longer then sixty-three (63) days without coverage, the new employer does not have to provide any prior coverage credits. (The sixty-three days do not include the new employers “new hire waiting period”).

7. Guaranty of Individual Insurance Availability will be offered to individuals that:
  - a) exhaust COBRA (either 18, 29 or 36 months);
  - b) are not eligible for other group coverage, Medicare (Parts A or B), or Medicaid;
  - c) have not been terminated for nonpayment of premiums.

These individual plans may not have any pre-existing condition limitations, nor refuse coverage to any individuals that meet the criteria.

This is just a brief overview of the changes HIPAA made to COBRA. Please seek further information from a Benefits Attorney to verify that you are administering COBRA in accordance with HIPAA.

This manual will be updated on the Internet from time to time. You have the ability to review the most recent release by clicking the COBRA Manual option found under the HELP Menu.

## **COBRA Qualifying Events**

**I**t is important to have a complete understanding of "qualifying events" because they trigger the beginning of the COBRA administration process. For the event to be considered as a "qualifying event," an employee, spouse or dependent child must have a loss of coverage under the group plan (unless the event was an active employee becoming entitled to Medicare followed by a termination or reduction in work hours). The following are the seven "qualifying events" that would require COBRA notification and begin the tracking process.

- 1) Termination of Employment (maximum of 18 months);
- 2) Reduction in Work Hours (maximum of 18 months);
- 3) Divorce/Legal Separation (maximum of 36 months);
- 4) Death of Employee (maximum of 36 months);
- 5) Medicare Entitlement (maximum of 36 months);
- 6) Loss of "Dependent" status (maximum of 36 months); and
- 7) Corporate Bankruptcy (lifetime).

Termination of Employment can be either voluntary or involuntary. Examples of termination considered as a "qualifying event" are voluntary terminations, retirement, firing for cause (other than for "gross misconduct"), plant closing or layoffs, sales of subsidiaries or strikes

Most companies require an employee work a minimum number of hours to be eligible for benefits. If an employee (voluntary or involuntary) reduces their work hours, becoming ineligible for benefits under the company's eligibility requirements, they should be offered the right to continue under the COBRA legislation.

If an employee is currently providing coverage for a spouse and experiences a divorce or legal separation, it is the responsibility of the employee or spouse to notify the COBRA administrator of this "qualifying event" within sixty (60) days from it becoming legal. If they

do not provide this notification, the company is not required to offer continuation coverage. (Under the May 26, 2004 final regulations, employers must notify these individuals they are no longer eligible for continuation coverage.) If the spouse continues their coverage, they should be offered the same rights as an active employee - to add newly acquired dependents or change plans at open enrollment time.

The death of an employee is a unique situation handled differently by all companies. If your company offers payment of premiums for dependents of a deceased employee for a period of time, continuation coverage should be offered upon completion of that time frame. Otherwise, you should offer the COBRA continuation coverage within the fourteen (14) day notification time frame.

As employees become eligible for Medicare, it is possible for their dependents to lose their eligibility under the group plan. There are several ways a covered employee can become entitled to Medicare benefits. The rules for entitlement to Medicare are defined in Title XVII of the Social Security Act. Most become eligible at age 65. Others can become entitled without meeting an age requirement or Social Security eligibility standards and a few can enroll in Medicare by paying a premium, even if not technically "entitled" to Medicare benefits.

Medicare Entitlement is considered a "voluntary qualifying event" because an individual is not actually entitled to Medicare benefits until an application is filed. It is not common under most group plans to terminate coverage upon Medicare entitlement but it would be the responsibility of the employee or dependent to notify the administrator of the application. It is more likely that an employee takes an early retirement and becomes eligible for Medicare. To eliminate having to pay premiums for themselves and dependents, they terminate their coverage and continue their dependents under the group plan. If an employee is enrolled on Medicare (or another group plan) at the time of a qualifying event, the employer must offer the employee and covered dependents the right to continue under COBRA.

Insurance companies define the term "dependent" in their group contract which limits the age of children eligible for benefits under the group plan. Once a child becomes ineligible to continue under the group plan, it is the responsibility of the child or parent to notify the COBRA administrator of their ineligibility within sixty (60) days. If the Administrator is not notified within this time frame, continuation coverage does not have to be offered. If a dependent child marries, it may be considered as a loss of "dependent" status. Please contact your insurer for clarification.

Lastly, retired employees of a company that experiences a corporate bankruptcy are also eligible for continuation coverage. A bankruptcy proceeding means any case brought by an employer under Title 11 of the United States Code, including liquidation proceedings under Chapter 7 and reorganizations under Chapter 11. Congress did not elaborate greatly on this "qualifying event" and this software does not administer the law under this qualifying event.

## Important COBRA Time Frames

COBRA is very specific on both employee and dependent time frame requirements. Below are the maximum time frames under COBRA.

### *Qualifying Events Receiving 18 Months Continuation (Employee Qualifying Events)*

- 1) Termination of Employment (other than "gross misconduct");
- 2) Reduction in Work Hours (making employee ineligible for benefits);

### *Qualifying Events Receiving 36 Months Continuation (Dependent Qualifying Events)*

- 1) Death of Employee;
- 2) Divorce/Legal Separation of Employee;
- 3) Employee becomes Entitled to Medicare (and taken off insurance); and
- 4) Dependents no longer meeting the definition of a "DEPENDENT" under the Insurance Plan.

If a COBRA Qualified Beneficiary becomes disabled prior to the qualifying event or within the first sixty (60) days of COBRA continuation and is considered "disabled" under Title 11 or Title XVI of the Social Security, they are eligible for up to 29 months of continuation coverage.

What is the Administrator's responsibility if a divorce occurs in which you were unaware or an employee's child reaches the maximum age under the group plan? The employee/dependent is responsible for notifying the Administrator within sixty (60) days of the event, therefore if you are not notified, your responsibility is eliminated. (Caution: The General Notice explains when the spouse needs to contact the Administrator upon experiencing a divorce so make sure all covered spouses receive this notification.)

Once the Administrator notifies the "Qualified Beneficiary" of their COBRA rights, they have sixty (60) days (from the later of the benefits termination date or the date of your notification) to inform you if they want to continue their health coverage. After this time frame, the employer has met their responsibilities under COBRA.

The employee/dependent has an independent right to continue any or all of the group health plans they were enrolled on the day prior to the "qualifying event." In addition, any or all of the individuals enrolled on the plan(s) have the right to continue their coverage. For example, if an employee had a spouse and three children on his group plan, the spouse and one child can elect to continue the coverage without having the employee and other two children on their COBRA plan.

Qualified Beneficiaries electing to continue coverage have forty-five (45) days from the date they notify the Plan Administrator of their desire to continue to make their initial COBRA premium payment but are responsible for all premiums back to the date of group coverage termination. (One exception is if an individual is removed from the group plan "in

anticipation” of a qualifying event. If an employee removes their spouse from the plan and subsequently divorces; the spouse would be placed on COBRA on the effective date of the divorce).

You have the right to charge the COBRA Participant 102% of the group premium costs during their time under COBRA. The additional two (2%) percent is to cover administration costs. Once the Qualified Beneficiary has made their initial COBRA payment (providing a forty-five day grace period), they have a thirty day grace period in which to make subsequent payments. If a Qualified Beneficiary is disabled at the time of the “qualifying event” or within the first sixty (60) days of COBRA continuation and provides the written determination from Social Security Administration within the eighteen (18) month COBRA period, they should be offered an eleven (11) month extension. During this eleven (11) month extension, the employer may charge up to a fifty (50%) percent administration fee and must allow all individuals on the plan to continue.

If at some time during continuation, a dependent experiences an additional "qualifying event," the employer must offer them the right to continue their benefits up to a maximum of thirty-six (36) months. For example, an employee with family coverage is terminated from your employment and agrees to continue their coverage for the eighteen (18) months. In the ninth month, the couple divorce. If the spouse notifies you within sixty (60) days of the divorce, you must offer the spouse (and covered children) up to thirty-six (36) months of continuation coverage from the original termination date. The maximum time any Qualified Beneficiary may remain on COBRA is thirty-six (36) months. (Recent development: The IRS has ruled that Medicare Entitlement is not a secondary qualifying event if the dependent would not be losing coverage.)

COBRA Participants should be treated as “similarly-situated active employees” during renewal or Open Enrollment time. If you offer optional plans and active employees are offered the right to change programs, we recommend that you contact the COBRA Participant and allow them to change plans. In addition, if you terminate a plan (in which a COBRA Participant is enrolled) and replace it with another plan, you will need to inform the COBRA Participant of the new plan. Your COBRA responsibilities will end in regards to a COBRA Participant if one of the following occurs:

1. They complete their maximum COBRA time frame (18, 29 or 36 months);
2. They receive alternative coverage under another group plan. (If they have a pre-existing condition that the new plan does not cover, they have the right to stay under your group plan until their maximum COBRA time frame has expired). HIPAA offers employers the right to terminate COBRA coverage for individuals that receive other group coverage and have enough prior coverage credit to eliminate the pre-existing condition limitation (but it is recommended that you exercise this option only in situations when no pre-existing conditions apply to any of the Qualified Beneficiaries);
3. They become entitled to Medicare (Parts A, B or both);
4. They fail to make timely COBRA premium payments;

5. If they move residence outside of the plan's "service area" and under the insurer's group service agreement does not meet the eligibility requirements. If another plan is available for Active Employees in the new location, COBRA Qualifiers and Participants should be offered the right to continue under that plan;
6. They are deemed to have filed "fraudulent claims" or other activities in which a similarly-situated active employee would be terminated from an insurance plan;
7. If a "disabled" participant is no longer deemed disabled during the eleven month extension, the entire family unit may be terminated; or
8. Your company decides to eliminate a group plan and not replace it with a similar group insurance plan.

## **Penalties for COBRA Noncompliance**

**A**s you can see, the COBRA legislation is complex and can be extremely time-consuming to administer. Many companies have relaxed their COBRA administration procedures but may find themselves in hot water because in recent years, numerous employers have been sued successfully for noncompliance.

The legislation states that if an employer is found in noncompliance with the law, an excise tax in the amount of \$100.00 per day, per beneficiary (limit of \$200.00 per family per day) for every day of noncompliance. ERISA also has a similar excise tax for noncompliance (\$110.00 per day). It doesn't take a mathematician to figure this can add up to a large sum of money! But, this is only a hand slap by the government. You may also be sued by the employee or covered dependent under ERISA for damages for COBRA noncompliance. When an uninsured person is injured and seeks council, sharp attorneys are asking former employers to prove they were in compliance of the COBRA legislation. If not, the employer may be responsible for all medical bills and punitive damages for the person's suffering.

To reduce this liability, we have created the COBRA Administration Manager. This software product is designed to provide correct COBRA notification, monitor all "qualifying events" and associated time frames, provide a billing program, handle all of COBRA's unique circumstances and lastly, document everything in monthly reports.

COBRA Solutions, Inc. hopes this software product will make administrating the COBRA legislation an easier task while reducing the risks of a lawsuit. If the law should change at sometime in the future, COBRA Solutions will make the necessary software alterations. Updating the software will be handled by downloading new files from the Internet. For this service, an annual maintenance fee will be charged. If you elect not to renew your annual maintenance agreement, you will remain responsible for updating notifications and changing administration procedures to maintain compliance.

We recommend that if you have a question regarding a particular COBRA situation; please contact an attorney specializing in employee benefits. Due to the liability and amount of calls we would receive on a daily basis, COBRA Solutions will be unable to answer any law-related questions. Again, thank you for your purchase and please let us know if you have any suggestions or recommendations.

# PROGRAM INSTALLATION

If you are upgrading your COBRA Administration Manager to Version 11.x, it is important to have an understanding of the changes to the program as well as data integrity. If you are a new user, please skip to the section on Computer System Requirements.

## New Features

**C**OBRA Administration Manager remains easy to operate, walking the user through even the most difficult COBRA Administration procedures. This new version offers numerous changes; of which the most popular are the following features not currently found on previously releases:

1. The user is no longer limited to the space available for file “Notes” of Active employees, COBRA Qualifiers and Participants.
2. The system will automatically enter notes on events and changes made to qualified beneficiaries files which document most COBRA events.
3. Participant plan enrollment/history will be tracked to document their enrollment throughout their time on COBRA.
4. The system produces a “Certificate of Mailing” form which has been pre-approved by the USPS.
5. Due to increased mailing costs, Version 11 allows the user to duplex (or create two-sided) notifications. (A duplex printer is required for this feature).
6. The system will track the ages of employees and Participants for age-rated plans/Medicare eligibility and inform the user with a statement in the Things-to-do list.
7. Notifications have been updated, adding valuable information for qualified beneficiaries.
8. For users who have elected to add a picture (or company logo) into notifications, program has the ability to save the created notifications in a PDF format (which significantly reduces the size of the file and saves hard drive space).
9. Redesigned the Navigator to offer an easier access point to COBRA administration.
10. Added the ability to import Participants and Retirees with an auxiliary program called “COBRAImport.”
11. And, over 50 other time-saving features.

## Upgrading From a Previous Version

**A**dditional fields have been entered into the data structure to track new information as well as added features of the program. With this change, the system will need to re-format your data to the new structure. This is performed the first time you start the program after install. Your current data will be stored in the Acct\_\ Oldfiles7 directory in the event of a problem during the upgrade process.

To make sure this transition takes place, you must install the new program to the same location as the original version. The default was the “C:\COBRA” directory. Make sure you know where the root program is located prior to installation. A simple way to find out where your current version of the COBRA Administration Manager is located is by right clicking on the COBRA Administration Manager icon on your desktop and selecting “Properties” from the menu list. Click on the “Shortcut” tab and review the “Start in” or “Target” textbox for the location of the COBRA Administration Manager program.

Not only will files be updated, many COBRA notifications will be changed to reflect the changes to the COBRA law. We have created a separate program that allows you the ability to edit the document found in the root directory and automatically update all the companies/subgroups with a click of a button (see “Update Notifications”). This new version utilizes different variables in many of the notifications so it is recommended that all letters be updated after installation. If the user has modified the notifications and wishes not to utilize the standard letters, please review the letters prior to sending to assure that the correct variable information has been imported.

## Upgrading From Demonstration Version

**S**ome users may have received a demonstration disk or downloaded from the Internet and began entering data on their current COBRA Qualifiers and Participants. People upgrading to the actual program may either install to the demonstration directory (to maintain data integrity) or delete the demonstration directory and begin to re-enter COBRA information. A quick phone call to COBRA Solutions and Technical Support can walk you through the purchase of the actual program. For information on the cost of the program, click the HELP Menu followed by the Upgrade COBRA Program option.



If you had entered valid information into the demonstration version, simply installing to the same directory will maintain your data. The program will automatically update the COBRA Administration Manager program and the COBRA notifications.

Once the installation is complete, start the COBRA Administration Manager and right click on the COBRA Solutions, Inc. icon on the upper right hand corner of the screen. Change

the product ID code from “DEMO” to your new product ID code, which is located on the back of the CD case.

## Minimum System Requirements

**F**or the maximum efficiency of this COBRA administrative program, we recommend the following computer capabilities:

- Microsoft® Windows 10, Windows 8.x, Windows 7, Windows Server 2012, Windows Server 2008. The COBRA Administration Manager will not run on the Mac® OS using Windows-emulation Software.
- 1 gigahertz (GHz) or faster 32-bit or 64-bit processor.
- 2 gigabyte (GB) RAM.
- DirectX 9 graphics device with WDDM 1.0 or higher driver
- 50 MB of available hard drive space. If using the COBRA Administration Manager software to administer multiple Groups / Companies, expect at least 5 MB of hard drive space per group.
- A web browser is needed for some Internet features.
- An Internet connection to use the COBRA Administration Manager Internet features.
- 10X CD-ROM drive.
- Windows-compatible printer

## Before installing the COBRA Administration Manager

**T**o avoid installation problems, complete the following steps before you begin installation:

1. Disable all virus-protection programs running on your computer. Refer to your virus-protection on-screen help for instructions. After you install the COBRA Administration Manager, re-enable your virus protection software.
2. Close all open programs.
3. Run Scandisk to find and repair errors on your hard disk. See your Windows on-screen help for instructions.

## Installing the Software

**T**he installation of this software product is simple and should only take you a few minutes. To install the program onto your hard drive, follow these instructions:

1. Place the COBRA Administration Manager CD-ROM in the CD-ROM drive. A dialog box opens that asks which program you would like to install. Choose the COBRA Administration Manager button. If the install program does not automatically begin, click the START button followed by the RUN option. Type “X:\COBRA\SETUP” (substitute the letter of your CD-ROM drive for X).
2. In the Welcome dialog box, review the information, then select Next.
3. In the Software License Agreement dialog box, read the License Agreement and click Yes if you agree or No if you do not agree (If you select “No” you can not install the COBRA Administration Manager Software).
4. In the next dialog box there will be information about the different kind of installs, review and then click Next.
5. In the Type of Setup dialog box you will be offered three types of installations.



a) A Typical installation (recommended) will install all necessary files onto your hard drive. This option should be used when installing to a local computer.

b) A Compact installation will install all files with the exception of the COBRA Information Transfer Program (used for e-mailing data to a centralized administrator).

c) A Custom installation which allows you to select which files you wish to install; application, system and TPA files. The Custom installation is for installing to a network (Please read the following section). Lastly you will be asked which directory you want to install the COBRA Administration Manager. By default,

a directory called “COBRA” will be created on your hard drive. If you are upgrading the current version of the COBRA Administration Manager, you should select the directory that houses the current COBRA.exe (see Upgrading From a Previous Version).

6. The program will be copied onto your hard drive and a Program Item will be created called “COBRA Administration Manager” along with a Program Group Window called “COBRA Solutions.” Upon completion, remove the disk and store in a safe place. The CD case will have your USER NAME and PASSWORD. You will need to enter this information into the program after installation. If you lose your USER NAME and PASSWORD, please go to [www.csisupport.com](http://www.csisupport.com) and click on “Forgot User Name and Password.” The system will search our database for your email address and notify you (if found in the database) by sending an email. If you did not purchase the product directly from COBRA Solutions, Inc., contact Technical Support.

## Installing to a Network

The COBRA Administration Manager is a multi-user program that may be installed on a network server. Follow the first four steps as explained under “Installing to a Hard Drive.” Select the “Custom” installation option and install the application and optional TPA files to the server. Next, install the system files/components in the same manner onto each of the local terminals needing access to the program and create a shortcut to the COBRA.exe on the server.

To create a shortcut, right click on the Desktop followed by “New” and “Shortcut.” Use the Browse button to find the COBRA.exe file on the network drive. Once the icon has been created, change the name of the icon to “COBRA Administration Manager.”

## Product Identification Code

Upon starting the program, the user will be asked to enter their Product Identification Code, User Name and Password. These items will be found on the CD case. If you downloaded an upgrade, you will be e-mailed the information. If you did not receive this information, please email COBRA Solutions at [help@csisupport.com](mailto:help@csisupport.com). If you are installing a DEMO, your user name, password and identification code will be “DEMO”.



The Product ID Entry Form will appear and you should enter the product Identification Code. Click the Continue command button and the program will start.

## Internet Settings

**Y**ou must provide some initial information before the Document & Internet Wizard can access software updates. Under the HELP Menu, click the “Internet Settings” option. You will be asked to enter your USER NAME and PASSWORD (found on back of the CD case), followed by selecting which connection type you use. If you use a Proxy Server to process information being sent through a FTP port (port 21), you will need to click the button for Proxy Settings and complete the form.

Your Network Administrator should set your Proxy Settings. If you are using a Proxy Server, do not change the USER NAME and PASSWORD on the main Internet Settings page. The COBRA Administration Manager will still need that information for other tasks.

Example of a typical proxy setting

User Name: username@csisupport.com

Password: password

Address: 192.168.1.1 Port: 21

*(Check the box to disable Passive mode.)*

## **Program Execution**

**T**o start the COBRA Administration Manager program, click the START button, move mouse over Programs followed by the COBRA Solutions group and select the COBRA Administration Manager program. You may also start the program from your Windows Explorer by clicking the COBRA.exe file found in the root directory. Many users have created an icon on their desktop and use it to start the program.

## INITIAL SET-UP PROCEDURES

**B**efore you can begin to enter data on COBRA Qualifiers and Participants, you will need to provide the program with your company, insurance plan(s) and current COBRA Qualifier/Participant information. Please take the time now to review important COBRA definitions and enter critical information prior to continued operation of the program.

### COBRA Definitions

**Active Employee** - A newly hired or current employee of the company. Newly hired employees are sent the COBRA General Notice upon enrolling in the group plan(s).

**COBRA** - Consolidated Omnibus Budget Reconciliation Act of 1985 and its amendments.

**COBRA Participant** - An individual that has elected to continue COBRA coverage by completing the necessary paperwork and paying monthly premiums.

**COBRA Qualifier** (or Qualified Beneficiary) - An individual that has experienced a “qualifying event” (explained previously) but has not made an election to continue coverage.

**HIPAA** - The Health Insurance Portability and Accountability Act of 1996 and its amendments.

### Things-to-do List

The Things-to-do List is the monitoring system of the program. It keeps track of every COBRA-related event and notifies you when you need to perform a task. Events such as when to produce Qualifying Event, Conversion, and Termination letters will be tracked by the Things-to-do list as well as notify you of late paying Participants.

To perform the tasks stated in the Things-to-do box, you may double click on the item. Once the procedure is completed, it will disappear from the list. This tracking system is important in

the administration of COBRA, so it is highly recommended you perform all tasks in the list as soon as possible.

You will notice the form offers four unique buttons at the top of the form. The first button, “Print All Letters Now” will send all notices stated in the list to the printer at one time. If you have the Multi-Company Version of the program, the system will ask if you wish to send notices in all groups or just the current group being administered.

The second button will produce a list of all tasks in the list so you may print and prioritize. This feature will show the tasks for each group if you have the Multi-Company version. Many Third Party Administrators will print this notice at the beginning of the day and prioritize what needs to be accomplished that day. (For example, if you need rates for a renewing insurance company, you would want to ask for those early in the day to obtain them as soon as possible.)

The next feature is new with Version 11.x. The Things-to-do box will list all recommended terminations (in red) at the top of the list. You may terminate COBRA Participants one at a time by double clicking on each line in the list or click the “Auto Terminate” button. It will terminate everyone in the list that has been recommended for termination. Again, if you use the Multi-Company Version, you will be asked if you wish to handle the terminations in all of your groups or just the current one. When you combine this feature with the “Print All

Letters Now” feature, terminations for all your groups is handled in minutes. (WARNING: the COBRA program will recommend termination immediately after the forty-five/thirty-day grace period and not allow for time in the mail.)

The last button, “Save Letter as PDF” is also a new feature that offers the ability to save your letters in an Adobe PDF format. This feature will be used mainly

by Third Party Administrators wishing to email clients the notifications (instead of mailing a paper copy). In the future, it is believed that email will be a more accepted method of distributing COBRA notices and employers may be able to save in mailing costs. At this time, it is still recommended you print and send notifications to COBRA Qualified Beneficiaries via mail.

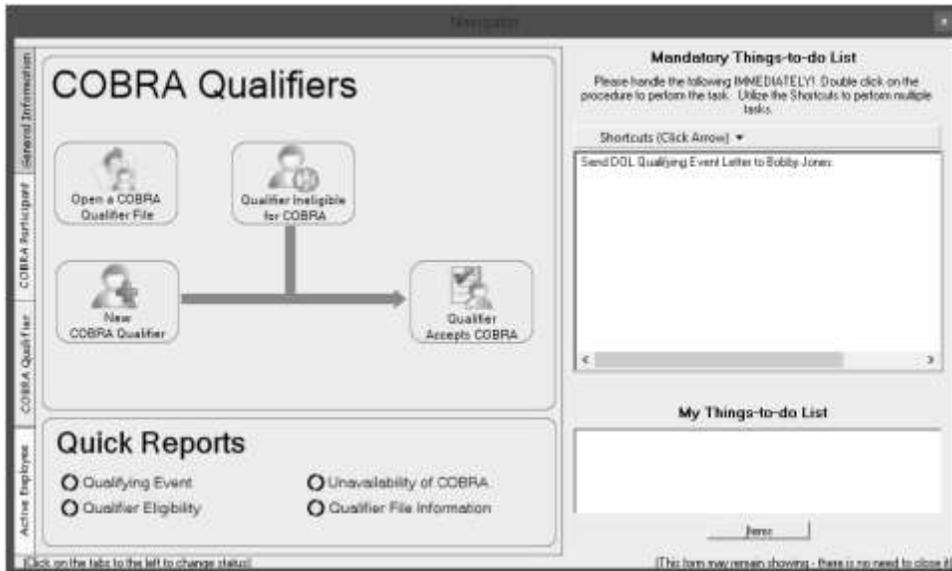
For users who wish to track other events or have a reminder list of their own, the system has a “My Things-to-do list.” Users may wish to enter a task which will show immediately in the list or pop-up on a specific date. This feature can be very useful in a multiple-user environment to inform all users of a task. An example of how this feature may be used is to have it notify you to send monthly invoices to COBRA participants on a certain day of the month. In this example, the My Things-to-do list would remain blank until the day specified for invoicing.



The Things-to-do box tracks over 40 COBRA-related events. Just follow its instructions to stay in compliance.

## Navigator

To offer a more graphical interface, Version 11 introduced a new Navigator. It provides pictures that may be click instead of selecting options under the menus. The Navigator has been divided into four types of files; General Information, Active Employees, COBRA Qualifiers and COBRA Participants.



When the Navigator is displayed the user may switch between the four file types and will still have access to the Things-to-do list. The Things-to-do list offers the same capabilities as described earlier and will notify the user when administrative procedures are needed.

To utilize the Navigator, select the file type you wish to manage by clicking on the label on the right-side of the Navigator. Single click on the picture representing the procedure you wish to perform. The Navigator will reside in the background and may only be used when a procedure has been completed.

The Navigator is an optional form which may be closed. When closed, the system will show the Things-to-do list when a procedure needs to be performed. (For users of previous versions, the program will operate as it had when the Navigator is closed.)

## The FILE MENU

The FILE Menu creates and manages new employees, COBRA Qualifier, Participants and retired employee files. Under the FILE Menu, you may create new files, edit or delete existing files from the database. One of the most important features is the ability to update the program over the Internet. Letters, updates from recent legal cases and software changes can be received at the click of a button.

If you have purchased the Multi-Company Version, you will have the ability to create new Companies/Sub Groups, Import and Export Data. For further information of upgrading your system to the Multi-Company Version, click the Software Upgrade Information option found under the HELP Menu.

If you purchased the Single Company Version or until all necessary information is entered, some of the Options will not operate and will be light gray in color. The following will explain how to perform the procedures under the FILE Menu.

### New COBRA Qualifier

Upon initial entry of the software, you may/may not want to enter information on COBRA Qualifiers in their sixty (60) day acceptance period. If they do not elect COBRA, it is not vital to have them in the system. If they do elect COBRA, you can enter them as an “Existing COBRA Participant” as explained in an upcoming section. Our recommendation is if you want the Qualifiers in their sixty (60) day acceptance period to show on your monthly reports then enter them now. If not, enter them as an existing COBRA Participant when they notify you of their COBRA acceptance.

The key to administrating COBRA is to document all "qualifying events." Once an employee or dependent has experienced a "qualifying event," you should enter the necessary information into the system. **Prior to entering Qualifier's data, it is essential that you have entered company and insurance plan information.** To begin entering information on Qualifiers, click the FILE Menu and “New COBRA Qualifier” which leads you to the Qualifier Entry Screen. (If you have entered your active employees, you will be able to select from a list.)

The COBRA Qualifier entry screen is displayed in the file tab format. The first screen shown is the Employee Data Tab where name, address, Social Security number, qualifying event date,

reason for COBRA offering, insurance plan information is entered. Textboxes with captions in italics type are optional (i.e. Date of Birth), meaning you do not have to enter data in these fields.

The second tab is designed to illustrate available “Other” insurance plan options. If your company does not offer any “Other” plans, this tab will not be shown. The third tab is for Dependent information.

Even though the qualified beneficiary may be a dependent of the employee, you still need to enter information on the employee. Based upon how you answer questions on the “qualifying event” reason and dependent information, the program determines the qualified beneficiaries.

The screenshot shows a software window titled "COBRA Qualifier's File" with a "Notes" tab selected. The "Employee Data" tab is active, displaying the following fields:

- Qualifying Event Reason and Date: Qualifying Event: Termination of Employment, Qualifying Event Date: 03/01/2005
- Employee Information:
  - Social Security #: 222-22-2222
  - Gender: Male
  - Spanish QE Letter?:
  - Last Name: Jones, First: Robert, Initial:
  - Mailing Address: 1414 East Avih Street
  - Address Overlay:
  - City, State, ZIP: Los Angeles, CA, 90003
  - Date of Birth: 03/05/1962
  - EE Hire Date: 02/05/2002, EE Benefits Start Date: 04/01/2002
- Employee Insurance Plan Information (What coverage did the employee have before Q.E.?)
  - Medical Plan: Green Cross & Green Shield
  - Coverage: Family

Buttons for "OK", "Cancel", and "Next" are visible at the bottom. The status bar indicates "File 1 of 1".

Begin by entering the qualifying event experienced by the employee/dependent. The captions of some of the fields may change based upon the qualifying event entered. Please observe these captions so you enter information correctly. If the caption reads “Qualifier,” you should enter the spouse/dependent’s information. If the captions state “EE,” enter the employee’s information. (Only the captions in the Employee Information section will change on the form.)

You may press either the TAB Key, ENTER Key or click the mouse into another textbox to change fields. Next enter the qualifying event date. The qualifying event date is the date the

employee/dependent will lose coverage.

The employee’s Social Security number can be entered with or without the dashes separating the numbers. The program will automatically change it to the correct format for you. Upon completion, click the drop down box of the Gender category and select Male or Female. (To speed up entry, the program will allow you to simply press an “M” or “F” when the drop down box has the focus. This eliminates having to click the mouse button twice). If this employee/dependent’s primary language is Spanish, you may click in the “Spanish QE Letter?” box and the DOL Qualifying Event letter will be produced in Spanish. (If you do not use the DOL letters, you will not be able to produce a Spanish version.)

Enter the employee/Qualifier’s last and first name; their middle initial is optional. The employee’s address should be their last known mailing address. If you think they have moved but do not have a new address, send it to the one you have. If the letter is returned to you for incorrect address, file the unopened letter in the employee’s file with a note stating the date the

COBRA notification letter was sent and that this was the person's last known address. If you do not have enough room for the employee's address, a second line is provided.

**All Date entries are entered as: Month / Day / Year  
(Example: 01/31/2005)**

The date field has a maximum length of ten characters. If you are trying to make a correction and you hear a beep, you must delete some of the characters prior to entering the corrected date.

The following fields detail the employee's benefits. Click the down arrow on either the Medical Plan and/or Dental Plan drop down boxes. They will display the plans that you initially entered. (If a plan is not shown, please review the section on Entering Insurance Plan Information). The bottom option will always read "Not enrolled in Medical" or "Not Enrolled in Dental."

Click the plan that the employee was enrolled on the day prior to the qualifying event. If they were not enrolled in a program, click the bottom option, "Not Enrolled in ...". (You must make a selection or the program will not store the information in the employee's file). If you select, "Not Enrolled in ...," the Coverage field will disappear. Once you have selected an insurance plan, click the down arrow of the Coverage field. The tier structures will be displayed. Click the tier (type of coverage) the employee was enrolled on the day prior to the "qualifying event." If the qualifier is a dependent, select the tier that the qualifier will be eligible for. (Example: In a Loss of Dependent status situation, you would select the "Single" option because that is what the dependent would be eligible for.

If your company offers an "Other" type of insurance plan and the employee is enrolled in it, from the Other Plans field, click "Yes." Next, change tabs to the Other Plans tab by placing your mouse pointer on the file folder tab labeled "Other Plans" and click the left mouse button. The screen will show a list of your "Other" plans.

To show that an employee was enrolled in an "Other" plan, click the checkbox next to the plan's name. An "X" will illustrate that the employee was enrolled in that plan and you should then click the down arrow of the Coverage field noting the tier structure the employee was enrolled on the day prior to the "qualifying event."

To de-select an insurance plan, click the check box with the "X" and it will turn into a blank box. Once you have entered the "Other Plan" information, you can begin entering information on the employee's dependents.

To switch to another Tab, click your mouse on the Tab where the name resides. For example, to switch to entering information on Dependents, place your mouse pointer on the "Dependents" tab of the file folder and click your mouse. Version 11 changed the way you enter dependent information (because the new method offers more information to be entered). Enter the spouse and children's information by clicking the Add button and entering

the information. If information needs to be changed, select the dependent in the list (by clicking the name) and then click the Edit button.

HIPAA requires employers to track Hire and Benefit Start dates so a Certificate of Creditable Coverage can be produced, illustrating prior group coverage. Please make sure this information is entered correctly to eliminate issues in the future. If a dependent has a different Benefits Start Date, you should enter it under the Dependent Tab so the Certificate of Coverage will designate this difference.

If your firm offers a Medical Flexible Spending Arrangement (FSA), you must offer employees and dependents the ability to continue to make after-tax payments to the plan. The reason an employee would want to continue their medical FSA is because they may have accumulated a significant amount during the beginning of the Plan Year in anticipation of an expense later in the year. If they are terminated, by law they may only submit receipts for services received prior to the termination date.

Employees may continue coverage under a medical FSA. (Review info under the Company Information section)

With COBRA, the individual can continue to make contributions to their account and submit receipts during the time frame under COBRA. There are two rules regarding medical FSAs and COBRA.

1. The employee does not have to be offered COBRA if they have a negative balance at the time of the employment termination; and
2. The person may only continue coverage until the end of the FSA's Plan Year.

The program also offers the ability to save some useful information that is not necessarily related to COBRA but could help the Administrator contact the COBRA Qualifier. The Optional Info tab allows the employee to enter information such as a separate address for a spouse/dependents, phone numbers, e-mail address and offers three "User Defined Fields." The User Defined Fields are captions with textboxes that allow the Administrator to enter their own criteria. These fields are great if you have another procedure that the software does not track and you wish to document it in the Qualifier's file.

Version 11 has added a Medicare Tab. The fact that an employee or dependent is enrolled on Medicare does NOT relieve an employer from offering COBRA. But it is an important field to track. If you know that the person is on Medicare, click the "Yes" option and enter the date started on Medicare on this tab. This information will be included in the person's file if/when they accept COBRA.

Lastly, the Qualifier's file has a "Notes" tab. This provides space for the Administrator to place any relative information about the Qualifier. In earlier versions, the Notes tab was limited to 1000 characters. Version 11 has added a new Notes format. To enter a note, click the Add button. The system will default to today's date for the note and will put your computer's name as the person entering the note. Select a Category and enter a 'Subject' for the note. Next, enter a detailed note and click the Ok button. You may enter as many notes as you wish for the individual. Notes may be Edited or Deleted if desired.

The system has also been designed to automatically add notes when certain events occur. When I enter a qualifier, the system will automatically create a note stating when the qualifier was entered and by what user. This is important if you will to track which user performed a task.

Once all information is entered on the COBRA Qualifier, click the OK command button to save the information. If everything is in order, the information is saved and the form will disappear. If not, you will be notified of any inconsistencies. Follow the instructions to make the necessary corrections and click the Ok button upon completion. If you do not want to save the file (or just want to exit the form), click the Cancel button. The form will disappear and all entered information will not be saved.

Upon entering a new COBRA Qualifier, the Things-to-do List will show that you need to send a Qualifying Event Letter to the Qualifier. If you have already sent this person a letter (meaning you are entering this person during their 60 election period and sent a notification prior to the implementation of this software), you need to notify the program by entering the date of notification found on the Key Dates Tab.

To enter the date of notification, click the FILE Menu followed by the "Open Qualifier's File" option. This will return the Qualifier Entry Form with an addition of a tab called "Key Dates." The tab will illustrate important COBRA information. In the Qualifying Event Letter textbox, it will show "Not Sent." You must change both the Employee and Dependent Qualifying Event Letter Date to the date on the Qualifying Event Letter you sent the Qualified Beneficiaries. Once these dates are entered, the screen will update important information regarding the qualified beneficiary's last possible date to elect COBRA continuation coverage and the message will be removed from the Things-to-do box.

## **Newly Hired (Active) Employee**

**T**he COBRA legislation requires General Notice (or Initial COBRA Notification) be sent to new employees and their covered spouse enrolling on the group health plan(s). In the past, the law never stated when this document had to be sent. With the release of the May 26, 2004 final regulations, the Department of Labor placed a ninety-day window to produce this notice. We find flaws with this time frame and recommend you send it within thirty days.

You may see that the General Notice requires contact information for each plan the employee has enrolled in. The question has been asked, if a firm changes carriers, do you need to produce a new General Notice for employees and dependents. The DOL has not been specific in answering this question. So, until further notice, it is recommended you send a new General Notice when:

1. A newly hired employee enrolls in any of the group plans;
2. An employee enrolls in a new plan being offered (i.e. a new dental plan implemented by the employer); or
3. An employee changes plans (i.e. from Blue Cross to CIGNA).

Not only will the program track the date Active employee's were sent the General Notice but will also track dependent children's eligibility under the group plans and the group plans they have enrolled in. Most plans will cover dependent children to a designated age (usually 19 and 23 if a full-time student). Under the

dependent's tab, when you enter a date of birth the system will track their eligibility. Tracking this information is optional to the user and will have italic captions designating it as optional. Since you will need to produce a General Notice with insurance plan contact information, you will need to enter the plan(s) the employee has enrolled in.

At the time when a newly hired employee enrolls in your group insurance plan(s), you will need to enter basic information so a personalized General Notice can be prepared. The system will record this date, report it on the Initial Notification Report, and enter it into the person's Qualifier file upon a qualifying event being experienced. It's important to understand that you are not required to enter all your active employees into the system. If you can prove they have already received the General Notice, you may begin entering just newly hired employees.

To prepare the General Notice, click the FILE Menu followed by the "Newly Hired (Active) Employee" option and begin entering information on the new employee. Since a letter should be sent to the spouse, it is recommended that you enter the Spouse under the Dependent tab. This information is usually found on the person's insurance application form.

Next, you will need to enter both a Date of Hire and Effective Date of insurance coverage. These dates will be stored and needed when/if the employee or dependent experiences a qualifying event. This data is essential in preparing a Certificate of Creditable Coverage which is required by HIPAA effective June 1, 1997.

If you elect to track dependent information, click the Dependent's tab and enter as much information as you have available. Again, the key elements would be the dependent's name, birth date and student status.

Many organizations have elected to have a standardized General Notice or use one part of the Sample Plan Description (SPD). If you elect not to personalize every new employee's General Notice, you should change the notice's heading (as explain in the NOTIFICATIONS Menu section) to a generic "Dear Employee and Covered Dependents of XYZ Company" and send separate copies to the employee and covered spouse.

Failure to send Initial COBRA Notification will place your company in COBRA noncompliance and expose you to costly lawsuits and significant government fines!

## New Retiree (for Billing)

Users of the COBRA Administration Manager have been so pleased with the program's invoicing and payment tracking procedures, many requested the ability to also collect insurance premiums from retired employees. This version of the COBRA Administration Manager will set up individual files and bill (without an administration fee) for Retiree benefits. The retiree billing function is not part of the COBRA legislation; therefore if you do not have a retired employee insurance program, you should have no need to utilize this feature.

The information needed for Retired Employees is essentially the same as COBRA Participants. By clicking the FILE Menu followed by the "New Retiree (for Billing)" option, you will be shown a form similar to the COBRA Participant's entry file. **(If the "New Retiree for Billing" option is not shown, you must inform the system on the Company Information form found under GROUP INFO Menu.)**

Entering information on a retiree is the same as a COBRA Participant. Since COBRA rules do not apply, there is no need for data on a qualifying event date, COBRA reason, etc. The billing Start Date is the key date that must be entered. It is recommended that the Start Date be the first of a month and either be the current month or the first of the upcoming month. **This date does not represent the Retiree's start date on benefits but merely the date you are beginning the administration.** If you enter the date that the Retiree is paid through, you will not have to manipulate the person's account.

Once the information has been entered, click the OK command button. You will be notified if the system needs further information. Even though you have completed the form you may need to adjust the Person's Account Review section if the Retiree owes for back premiums or has a credit balance.

To edit the Retiree's Account Review section, click the BILLING Menu followed by the Review Participant's Account. Select the Retiree from the drop down box and click the Select command button. Click your mouse either in the Premiums textbox if you are going to adjust premiums from a previous month or the Payment #1 textbox to enter a payment. When finished, press the ENTER Key and make sure the appropriate amount owed is visible in the most recent month's Balance textbox. Once the Balance is correct, click the Close button and the Retiree's file will be established and you may begin to send invoices or create payment coupons.

## Other Unique Files

**T**he Other Unique Files menu selection of the program is designed to create files not used on a daily basis. It offers the ability to enter:

1. Existing COBRA participants (usually entered upon purchase of the software);
2. Former employees who have been re-hired;
3. Qualified Beneficiaries who have selected COBRA but are not eligible to continue coverage; and
4. Employees/dependents who voluntarily remove themselves from the group plan(s).

## Existing COBRA Participant

**U**pon initial installation of the program, you will need to enter your current COBRA Participants through this procedure to maintain billing integrity. This section may also be used if your organization acquires another firm that currently has COBRA Participants under their group plan. Other than these situations, you will not be using this entry method because all new COBRA Participant files will be created when a Qualifier Accepts COBRA.

This procedure is used to enter your COBRA Participants upon implementation of the software. Thereafter, Qualifiers become Participants by "accepting" COBRA.

To enter COBRA Participants that were on COBRA prior to the implementation of this software program, click the FILE Menu followed by the "Other Unique Files" and "Existing COBRA Participant" option. The COBRA Participant Entry form will differ with the type and number of insurance plans your organization offers.

Unlike when entering a COBRA Qualifier, the information on the COBRA Participant form should be that of the person electing to continuing coverage. In other words, you may be entering information on the employee OR a dependent based upon who is the main subscriber to continue coverage. Begin entering the Participant's last name. You may either

tab or press the ENTER key to change textboxes. The Middle Initial textbox is an optional entry. Next enter the Participant's mailing address (if it is different from the street address because invoices will be addressed to this location).

The Social Security Number textbox is used for identification reasons. If your company uses employee identification numbers instead of Social Security Numbers, feel free to enter them. If you enter a nine (9) digit number, the program will automatically format it to a Social Security Number (i.e. ###-##-####).

When entering the Participant's gender, either press the "F" Key (for a Female), the "M" Key for a male or click the down arrow and select from the list. The Date of Birth field is necessary to determine Medicare eligibility. Please enter the subscriber's date of birth in the "mm/dd/yyyy" format.

The COBRA Acceptance Date is the date the COBRA Participant notified you of their acceptance of COBRA. When entering prior COBRA Participant's information, it is not critical to have the exact date because it is assumed they elected COBRA within the sixty (60) day election period. Although its importance is minimal, you must still enter an approximate date.

When entering an existing COBRA Participant, make sure you review each tab to ensure you have entered all required information.

Click the COBRA Reason drop down box to get a list of "qualifying events." Position your mouse pointer over the appropriate event and click. This selection is critical because it determines the number of eligible months under COBRA; either 18 or 36 months. Remember, only dependents experiencing the following events: death, divorce, Medicare entitlement or loss of dependent status will be offered 36 months of continuation coverage.

Next you will need to enter the plans the COBRA Participant are enrolled in. Click the down arrow key of the medical insurance drop down box. Position your mouse pointer over the appropriate insurer and click. If the COBRA Participant is not enrolled in a medical insurance plan, simply click the "Not Enrolled in Medical" option. Perform the same procedures for the dental plan (if your organization offers one).

Since HIPAA requires you to send a Certificate of Coverage upon termination from COBRA, please enter the individual's hire and original benefits start date. The Benefit Start Date needs to track the number of months on medical insurance and not just the time spent on the current plan. If the spouse or dependent child(ren) have a different benefits start date, enter the date on the dependent tab under the associated heading. If the COBRA

Participant is a dependent (and not the employee), enter the employee's hire date and the dependent's benefits start date.

If your company offers what we call "Other" plans (as explained under Entering Insurance Plan Information), you will need to click the Other Plans drop down box followed by either "Yes" or "No." If the Person is enrolled in an "Other" plan, click the file folder tab called "Other Plans" and click the check boxes on the left side of the appropriate insurer's name. Next, click the Coverage Type down arrow and select the tier structure in which the Participant is enrolled.

If the COBRA Participant has any plans that cover dependents, you must enter the dependent's name on the Dependent file folder tab. Click the file folder tab called "Dependents" and enter the dependents by clicking the Add button. If you enter birth dates, the program will notify you in the Things-to-do List when a dependent child has reached the maximum age under your insurance plan, meaning a (possible) Multiple Qualifying Event. It is recommended you place children in order from oldest to youngest. If any dependent has a different benefits start date, enter it on the dependent tab. It is possible that dependents can have different benefits start dates because of Open Enrollments, marriage, birth or adoption and other instances when an employee may add a dependent to his/her plan. Perform this procedure until all covered dependents have been entered.

Important Step  
– remember to  
enter the  
COBRA  
Participant's  
"paid through"  
date.

Next, click the COBRA Statistics file folder tab. Enter the date the COBRA Participant has paid premiums through (i.e. 03/31/2008 if premiums are paid through March 31, 2008). Remember, you cannot have a qualifying event without the loss of coverage. If you initially informed the program that a person's termination date is the date of termination (and not the end of the month), the date entered here should be in a monthly coordination with their termination date. For example, if an employee terminated on January 18th, their premiums paid through date would be on the 18th of a month.

If you have Date of Termination as your Termination Regulation and have selected to prorate the first and last bill, you should enter the end of a month in the Paid Through textbox.

Enter the COBRA Participant's COBRA Start Date. Again, this date will need to coordinate with the Participant's termination date. If you stated that terminations are at the end of the month, then the COBRA Start Date will need to be the 1st of a month. If terminations take place on the date of termination, the Participant's COBRA Start Date would be the day following the termination date. The Premiums Paid Through Date and COBRA Start Date are critical to proper operation of the program; please make sure they are entered correctly.

Upon entering the COBRA Start Date the program calculates the Maximum Number of Months and the COBRA Completion Date. If the Participant is considered "Disabled" by Social Security or the Qualified Beneficiary experienced the "Special Medicare Rule," click

the Disabled check box or replace the Maximum # of Months field with the correct length of coverage.

Upon completion, click the Ok command button to store the information and create this COBRA Participant's account. As always, you may select the Cancel command button to exit the form without saving any information.

## **Re-hired Employees**

**D**uring the course of administration, you may re-hire a former employee. When he/she experienced a qualifying event, their file was terminated from the active employee database. If this individual is re-hired, you may want to use this procedure to eliminate some data entry.

Select the "Re-Hired Employee" option found under the FILE/Other Unique Files menu. Select the employee's name from the drop down box and enter the re-hire date along with the date he/she will start on your insurance plan(s). When the form is populated, you will want to review the information for accuracy. Once verified, click the Ok command button to save the file.

## **Individual Ineligible for COBRA**

**O**ne of the newer requirements of COBRA is to notify qualified beneficiaries if they elect COBRA but are not eligible (or no longer eligible) to continue coverage. In the past, a spouse may have sent back his/her COBRA acceptance paperwork but not meeting the sixty (60) day requirement. The individual would be operating under the false interpretation he/she had COBRA coverage and the Plan Administrator was not required to notify them of their "ineligibility." The 2004 final regulations eliminated this potential problem by requiring Plan Administrators to produce a notification explaining the person is not eligible for COBRA.

To produce this notification, select the Individual Ineligible for COBRA/New File option found under the FILE/Other Unique Files menu. Enter the information on the person who is considered "ineligible" (which could be the former employee or dependent). If the individual had elected to cover dependents, enter them under the dependent's tab. Next, select the plan(s) the person wished to continue under COBRA. Lastly, select the reason the person is considered "ineligible" for COBRA from the list. If the reason is not shown, you may enter your own description in the "Other" textbox. Click the Ok command button and the Thing-to-do box will inform you to produce the letter. You may double-click on the line in the Things-to-do box or click the Prepare Letter (with a person's data) under the NOTIFICATIONS Menu and select the letter and person from the associated drop down box.

## Voluntary Removal From Group Plan (No Qualifying Event)

There are instances when an active employee may ask to remove his/her dependents from the group health plan. They may have received other group coverage, qualify for state/federal provided benefits or the employee can no longer afford their portion of the premiums. A voluntary removal from the group plan **is not a qualifying event** and does not require any COBRA administration. But, we feel it is common courtesy to notify the removed individuals of their loss of coverage. Keep in mind, if it later turns out the employee was removing the dependents “in anticipation” of a qualifying event (i.e. divorce), the dependent may be eligible for COBRA coverage.

To notify individuals of their removal from the group plan, select the Voluntary Removal From Group Plan/New File option found under the FILE/Other Unique Files menu. Complete the form, entering all individuals being removed from the group plan(s). Next, select the plans they are being removed from followed by the Ok button to save the file. The Things-to-do box will notify the user to send the Voluntary Removal from Group Plan notification. To produce the notice, double click on that line in the Things-to-do box.

## Open Qualifier File

To edit information in a COBRA Qualifier’s file, click the FILE Menu followed by “Open COBRA Qualifier File.” Select the Qualifier’s name from the drop down box followed by the Ok command button.

The Qualifier Entry Form will appear with all the relevant information shown. You will notice that there is an additional tab called “Key Dates.” The Key Dates tab illustrates the most recent Initial Notification (or General Notice) and Qualifying Event Letter Dates, sixty day decision time frame, COBRA Start and Completion dates. Changing any of these dates will change relative COBRA dates. If you want to re-print a COBRA Qualifying Event letter, simply delete the date in the associated textbox. Once the file is saved, you will notice the Things-to-do box will inform the user to send a new qualifying event letter.

The program offers a “digital file cabinet” to store all COBRA-related documents you sent to the Qualified Beneficiary. Under the Notifications tab, a list of mailed documents are displayed. Double click on them to review.

A recently added feature is the Notifications File Cabinet. The system tracks each notification produced for a Qualifier and Participant. He places them in person’s File Cabinet so you may retrieve an exact copy of what was sent. These notifications can be found under the Notifications tab of either the Qualifier or Participant’s file. If you have sent other documents and you wish to maintain them in this person’s digital file cabinet, you may add them to the list by clicking on the Add button and selecting the document.

To save any changes to the employee’s file, make the necessary changes in the textboxes or drop down boxes and click the Ok command button. All changes will be stored in the Qualifier’s file. (If you wish not to save the changes, click the Cancel command button).

## **Open Active Employee File**

Once an Active employee has been entered into the system, your administration is limited to adding a spouse/children, changing address information or enrolled insurance plans. To make these additions/changes, click the “Open Active Employee File” found under the FILE Menu. If an employee adds a spouse, the system will prompt you to send a General Notice explaining their rights under COBRA. If you add/change an insurance plan, you will be advised to produce and send a new General Notice. (The 2004 final regulations hint – but not specifically state you should send a new General Notice upon enrollment into a new plan.

## **Open Retiree File**

The Retiree’s file should not require administration other than a change of address or insurance plan information. Please edit as required.

## **Open COBRA Participant’s File**

**A** COBRA Participant is a qualified beneficiary who has elected to continue coverage under the COBRA legislation. You have the ability to review and change a COBRA Participant’s file throughout their COBRA time frame. There are numerous events that may happen to cause you to want to change a COBRA Participant’s file but will be handled through (and explained in) the EVENTS Menu.

The most common edits to a COBRA Participant’s file are address changes and adding/deleting dependents from an insurance carrier. You may also open a COBRA Participant’s File just to review information on the individual’s account such as Premium Amounts/Fees, COBRA Start Date, Number of Months of COBRA Coverage, COBRA Completion Date, COBRA Acceptance Date, Enrolled Insurance Plans and dates of other important COBRA notifications.

To make a change or to review a COBRA Participant’s File, click the FILE Menu followed by the “Open COBRA Participant File” option. Either enter the COBRA Participant’s Social Security Number or select them from the drop down box followed by the Ok command button. The COBRA Participant File Folder will be displayed with the Participant’s data previously entered.

The Participant’s Data tab is shown and you may make changes to any of the fields. (If you are going to change the Participant’s Start Date, you will need to delete the Participant’s File and re-enter the data because all payment information could not be applied.) You may notice only one insurance plan will be shown under the medical and dental drop down boxes. This is because COBRA Participants are only eligible to continue under plans they

were enrolled on the day prior to their “qualifying event.” **If you wish to change plans, you will need to follow the instructions under the Open Enrollment section of the Events menu.**

To change to the “Other” plan information, Dependents or COBRA Statistics page, position your mouse pointer over the file folder tab and click the left mouse button. The selected page will come to the front for you to view.

If you are going to change insurance company tiers by deleting a dependent make sure you delete the dependent’s name from the Dependents page and change coverage type under the Participant Data page.

## Archive Files

**O**ver time, the number of Qualifier and Participant files will grow. This may slow your system because it will constantly check records to see if further COBRA attention is needed. Since these files will be needed only for review, you may “archive” the file so it is no longer part of the current administration process. This procedure allows the user to send older files to the “archive file cabinet,” return them to active administration, open and delete archive files. Archived files will show on reports and information may be retrieved easily. The main reason for archiving files is to increase the productivity of the software.

**Send Files to Archive** – You have the ability to send qualifier files or participant files (or both) which are over six month’s out of the COBRA administration process to the archive file cabinet. Technically, it is moving some of the older records from one file folder to another, therefore reducing the size of the current database. This speeds up the review of files and decreases the user’s time searching through a large list of qualifiers or participants. If neither of these are a problem for you, it is not necessary to send files to the archive file cabinet.

The main reason for archiving files is to increase the productivity of the software.

To send files to the archive file cabinet, select the FILE/Archive Files/Send Files to Archive option. Next, select which type of file (qualifier, participant or both) you wish to archive. Once selected, click the Ok command button.

**Return Archived File to Active COBRA Administration** – If you have archived older files and wish to return them to active administration, you may utilize this process. After performing this procedure, the files will be displayed in the normal drop down boxes. If needed, you may send them back to the archive file cabinet at anytime.

To return files from the archive file cabinet, select the FILE/Archive Files/Return Archive Files to Active COBRA Administration option. You may return one or all qualifier or participant files to active administration. Make you selection on the form and click the Ok command button.

**Open an Archive File** – You may open and review an archived file just as you would a qualifier/participant file. Changes may be made or notes added to the file. If the file is ever returned to active administration, the changes will be part of the active file.

To open an archive file, select the FILE/Archive Files/Open an Archive File option. Select the file type (qualifier or participant) followed by the person’s name from the drop down box. When the file is displayed, you may edit it and changes may be saved by clicking the Ok command button.

**Delete an Archive File** – You may delete an archived file from the system. **Once deleted, it can not be retrieved or returned to active COBRA administration.** To delete an archived file, select the FILE/Archive Files/Delete an Archive File option. Next, select the type of file you wish to delete and click the Delete Now command button. Since qualifiers turn into participants, the file you wish to delete may be found in both the qualifier and participant drop down boxes.

## Deleting Files

Over time, your database will grow with Active Employee, COBRA Qualifiers and Participants; some of which you may wish to delete. Once a file is deleted it cannot be retrieved. Since documentation is a vital component of COBRA administration, we recommend you “archive” the file instead of deleting it. The reason most users delete a file is because they entered information incorrectly and need to re-enter the data.

To delete an individual file, click the down arrow of the top drop down box. You will be shown a list of files in which you may delete. Select the file to delete followed by clicking the Delete Now button.

The bottom list box displays all Qualifier’s files that have exceeded their sixty (60) day election period. If you chose to delete these files, you will also lose the relationship to the saved notifications in their digital filing cabinet. Remember, all files in this list will be deleted and cannot be retrieved. Once you have reviewed the list, click the Delete command button directly to the right of the list box. To exit this screen, click the Close command button at the bottom of the form.

## Search for Entered Person’s File

If you have more than one company you are administering COBRA for, you may receive an insurance payment and not know what group the person is associated with. The “Search for Entered Person’s File” option will search the database and find a match with the person’s last name or Social Security number.

Click the “Search for Entered Person’s File” and enter the person’s last name/Social Security number and click the Ok command button. All individuals with the same last name will be

displayed in the listbox with the name of the company/sub group associated with the person.

You should enter the last name of either the Employee, COBRA Qualifier or Participant. It will not find a dependent with a different last name than the subscriber. Once you have found the person's company/sub group, click the Cancel command button or double click on the line with the person's name and you will transferred to that company/subgroup.

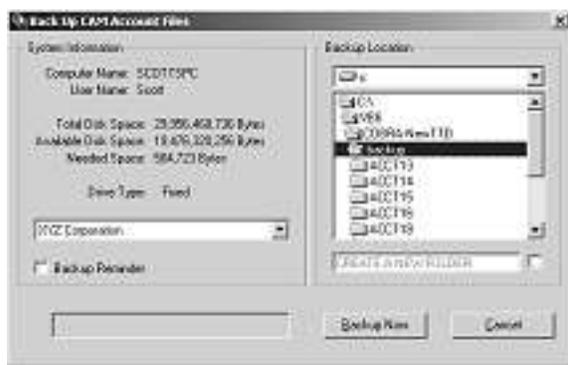
## Search for Entered Payment

**D**uring the administration process, you will receive COBRA premium payments. These payments are entered into the system and tracked to make sure the Participant has paid in a timely fashion. The 1999 final regulations allowed for anyone to pay COBRA premiums for a participant. There is a chance you may have entered a check for someone incorrectly and do not know who's account it has been applied towards. The "Search for Entered Payment" will review every COBRA Participant's account and notify you of matching check numbers.

To find a premium payment by check number, click the "Search for Entered Payment" under the FILE Menu. Enter the check number or date checks were entered and click the Ok command button. All checks associated with your criteria will be displayed. If you are running the Multi-Company version, you may double click on the item and the system will change to the company/subgroup housing the participant.

## Back Up Data

**T**he program recommends that you back up your data on a regular basis to eliminate having to re-enter information in the event of a hard drive crash. The program has a back up feature that will create a folder and store the COBRA data to it. In addition, you may have the system notify you on a weekly basis to back up the data. To Back Up data, click the "Back Up Data" option found under the FILE Menu.



First, make sure the Account that you wish to Back Up is showing in the dropdown box. If you are administering for multiple companies, you may select the "All Companies" option. Next, select the drive location of where you wish to back up the data. The system will create a backup directory and recommends storage there or you may want to backup to another computer in the case of a hard drive crash. The system will verify that you have enough storage space on that disk. It is not necessary to create the ACCT\_ folder because the system will

automatically create it. If you want to create another folder, click the box to the left of the “Create a New Folder” option. Next enter the name of the folder to be created.

Once the desired company and drive location is showing, click the “Back Up Now” button. The system is designed not to back up a company’s data into another company’s folder but it is recommended that you maintain a list so that you know where data is being stored.

## **Password**

**I**nformation entered into this program is considered confidential and you should use a Password to have access to the software. HIPAA classifies COBRA information as PHI (Protected Health Information). You are required to take steps to see this information is not readily available to unauthorized individuals.

To setup a password entry screen, select the “Password” option under the FILE Menu. Enter your password and remember it. You will be asked to enter the password prior to each time you begin the program.

You may change your Password at anytime by clicking the “Password” option found under the FILE Menu. Enter your current Password followed by the desired one and click the Ok button.

To eliminate having to use a password, perform the same steps as above but do not enter a New Password (leaving it blank) in the textbox. By not entering anything, the Password entry feature will be eliminated.

If you do not remember your password, you may press a special combination of keys and your Password will be displayed. Select the “Password” option under the FILE Menu. Once the Change Your Password form is displayed, press the Control Key and letter “P” at the same time and your Password will be displayed.

## **Export Data To Access Database**

**T**here have been requests to have the capability to export entered information to a database so users may create personalized reports. There are auxiliary programs that will create reports from a standardized database. One such program is Crystal Reports, a Seagate Corporation product.

The COBRA Administration Manager will export the entered data into a Microsoft Access database (version Access 2000). The program utilizes a template database (COBRAMDB.MDB) that should NEVER be altered. You may open and review the template database to see if it is going to give you the type of report you desire but do not change the names of any of the tables or records.

The system will create a database called “COBRAExp.mdb” in the ACCT directory housing the organization’s data. If you are unsure which ACCT folder, you may view the System files found in the About COBRA option under the HELP Menu. Every time you perform the Export Data to a Database procedure, you create an updated database. So, if you wish to maintain the current COBRAExp.mdb file, please copy it to disk/other folder prior to running the export procedure.

Once the database is created, feel free to utilize it as you wish. You may create reports or combine multiple databases or use as an information storing devise.

## **Import Data from Database**

Importing information from one system to another is a complex procedure. We have created a program designed to import data from your Microsoft Excel files provided you have all the required information. The import program called COBRAImport© will import information for Active employees, COBRA Qualifiers, Participants and Retirees provided you can create a TAB delimited file. A TAB delimited file creates records with a TAB between each record field. Programs like Microsoft Excel and Access have the ability to create a TAB delimited file (with a .txt extension). The Import process has three steps; Create the Tab Delimited file; Create the Database Import File and Import into the COBRA program.

### **Step #1: Create the Tab Delimited File**

You cannot import an Excel file. We have people call and state the COBRAImport program will not import their Excel file. We have to inform them they missed a step; creating the TAB delimited file. This file may be created with Microsoft Excel by following these steps.

- 1) Start your field headers/names in the “A1” box. (Headers may consist of only one row.)
- 2) Place ONLY fields that are shown below. If your Excel file has other fields/columns that are not needed in the COBRA software, you should delete that Column.
- 3) Under the File Menu, click the “Save As” option.
- 4) Select a location to save the file AND select the “Text (Tab Delimited) (\*.txt)” option in the “Save As Type” drop down list. Click the Save button.

You may enter two types of files; an Active Employee and a COBRA Qualifier (but not COBRA Participants or Retirees at this time). There are mandatory fields the program needs to operate in the COBRA environment. There are also optional fields you may want to import if available. When performing an install, you will need the following fields.

## Mandatory and Optional Fields Needed to Import Active Employees

### Mandatory Fields

- 1-Last Name
- 2-First Name
- 3-Mailing Address
- 4-*Either 3 Separate fields:* “City,”  
“State” and “Zip”  
*Or*  
*One Field:* “City, State Zip”
- 5-Gender: “M” or “F”
- 6-Social Security Number
- 7-Date of Birth
- 8-Employee’s Hire Date
- 9-Employee Benefit Start Date

### Optional Fields

- 1-Middle Initial
- 2-Address Overflow
- 3-Date General Notice was sent
- 4-Spouse’s Full Name
- 5-Spouse’s Date of Birth
- 6-Children’s (up to 6) Full Name
- 7-Children’s (up to 6) Date of Birth
- 8-Medical Ins. Plan Name and Coverage type  
(must match in COBRA software)
- 9-Dental Ins. Plan Name and Coverage Type  
(must match in COBRA software)
- 10-“Other” Ins. Plan Name and Cov. Type  
(must match in COBRA software)

## Mandatory and Optional Fields Needed to Import COBRA Qualifiers

### Mandatory Fields

- 1-Last Name
- 2-First Name
- 3-Mailing Address
- 4-*Either 3 Separate fields:* “City,”  
“State” and “Zip”  
*Or*  
*One Field:* “City, State Zip”
- 5-Gender: “M” or “F”
- 6-Social Security Number
- 7-Date of Birth
- 8-Employee’s Hire Date
- 9-Employee Benefit Start Date
- 10-Date Benefits will be terminated
- 11-Qualifying Event Reason
- 12-Monthly contribution towards medical FSA

### Optional Fields

- 1-Middle Initial
- 2-Address Overflow
- 3-Date General Notice was sent
- 4-Spouse’s Full Name
- 5-Spouse’s Date of Birth
- 6-Children’s (up to 6) Full Name
- 7-Children’s (up to 6) Date of Birth
- 8-Medical Ins. Plan Name and Coverage type  
(must match in COBRA software)
- 9-Dental Ins. Plan Name and Coverage Type  
(must match in COBRA software)
- 10-“Other” Ins. Plan Name and Cov. Type  
(must match in COBRA software)

[#10-Date Benefits will be terminated - should be the last day on the group plan(s)]

[#11-Qualifying Event Reason – must be one of the following: “Termination of Employment”, “Reduced Work Hours”, “Employee’s Death”, “Divorce or Legal Separation”, “Medicare Entitlement” or “Loss of Dependent Status”.]

### Step #2: Create the Import Database

Next, the user will need to create an import database. This import database is the appropriate structure for the COBRA Administration Manager. The COBRA software can only import files with certain tables and fields. The COBRAImport program will create this database file so it can easily be imported into the system.

The COBRAImport.exe will reside in the same folder as the COBRA.exe. You may want to right-click on the COBRA icon on your desktop and click the “Find Target” button. Once found, double click on the COBRAImport.exe.

After the program starts, click the desired type of import file you wish to create (either Active Employee or COBRA Qualifier). A screen will appear displaying all the import fields. You will want to make sure you change the order of the fields are in the same order as your Tab Delimited file. You may change the order by selecting the field you wish to change followed by the Up or Down arrow keys. If your file does not include an optional field (shown as not being flush to the left side of the list box), you must remove it from the list. To remove a field, select it followed by clicking the Remove Field button.

When completed, you should have the same number of fields in the list box as you had in your Excel spread sheet. They should also be in the same order. Next, you may want to save this structure for future imports. Click the Save Format button and enter a name (i.e. “John’s Active Employee Import Structure”) for the structure. Once saved, click the Next button.

A second form will be loaded and ask you “Browse” to find your Tab Delimited file. After finding and selecting the file, click the Verify Import File button. The system will check to see if the file is in a Tab Delimited format, has the same number of fields as you selected on the previous form and reviews to see if data fields have correct information (i.e. dates in date fields, numbers in number fields).

Next, you will be asked to review the first and second records. If your file had “Field Headers,” they will show in record number one. Select the record which should be the first record to be imported. (Do not select the record with your Field Headers.)

Once verified, you will be asked where you wish to save the file. We recommend you save it to the Import folder in the root directory of COBRA. The COBRA program uses it as its default location when searching for import files.

Lastly, click the “Create” button to create the Import Database File. The system will notify you of problem records (with missing information or invalid data). Once the import database file has been created, you may exit the COBRAImport.exe program.

### **Step #3: Importing the Import Database File**

Start your COBRA program and select the “Import Data from Database” option under the FILE Menu. Select the created Import Database file (and not your Tab delimited file). The

system will import your information and place the necessary individuals in the Things-to-do list.

As stated earlier, importing information can be a complex procedure. Please read and try following the above steps prior to calling for technical support. It will be difficult for the technician to determine any issues with your Tab Delimited file and may need to be sent to us for review.

## **Update Software Via Internet**

**O**ne of the most valuable features of the COBRA Administration Manager program is its ability to update the COBRA notifications and the software at the click of a button. No longer will you have to pay upgrade fees when the law changes or court cases changing the interpretation of the law. The updates will be correct and immediate.

This feature will remain functional as long as the annual maintenance fee is paid. If the fees are not received by COBRA Solutions by the designated Due Date, your account will no longer have access to this feature or others utilizing the Internet. If you notice this feature is not operating correctly, feel free to contact COBRA Solutions Technical Support at (480) 831-6078.

To update your software, click the Update Software Via Internet option found under the FILE Menu. The system will check to see if you entered your User Name and Password (found on the CD jacket or Software Agreement). Next, the program will download all new letters and an updated COBRA.exe, if needed. The program will only download files if a newer one exists so there may be times when nothing is downloaded. Since you have the ability to update the notifications, the system will prompt you to review the downloaded letters.

When you review the notifications, the changes will be in blue type designating the difference from the most recent notification. This program is a stand alone executable that may be run separately from the COBRA program. By clicking your Start button followed by the Programs, COBRA Solutions group, you will see the Document and Internet Wizard Utility Program. This program would allow you to update letters if they were not updated in your ACCT folder(s).

It is recommended that you run this procedure about once a week. Although Federal Law changes occur minimally, court cases that change interpretation of the law may happen on a monthly basis.

## **New Company/Sub Group**

Since Version 11.x offers two different versions, the Single Company version will not have the multiple company options. If you are interested in the Multi-Company version, please contact COBRA Solutions regarding upgrading your program. Cost for upgrading may be obtained by clicking the “Upgrade Program Capabilities” option found under the HELP Menu.

Many companies have multiple locations or divisions (with different insurance options) complicating the COBRA administration process. To assist with administration, you have the ability to separate groups, individualize a location/division’s insurance plan(s) and provide separate monthly reports. (You don’t want to get carried away with creating numerous divisions if they all have the same insurance options because it just increases your time, effort and disk space). Many Third Party Administrators (TPA’s) may use this to administer COBRA for multiple companies.

By creating separate Company/Sub Group’s, you are establishing a new directory to house that group’s data. The initial company will be stored in “\ACCT1\” of the root directory (usually C:\COBRA). When you create a new group, the files are then stored in directory “\ACCT2\,” etc.

Once you have created a new group and entered Qualifier’s and Participants, you will not be able to combine them with any other Company/Sub Group.

To enter a New Company\Sub Group, click the FILE Menu followed by “New Company\Sub Group.” Next, you will be asked the name of the new group.

Once the new Company/Sub Group has been created, you will need to complete the Company and Insurance information as you initially did upon installation. It is essential to at least enter the Company Information prior to changing sub groups or exiting the program because the data is used to update the software’s mapping procedure.

## Change Working Groups

Once you have more than one Company\Sub Groups, you may change between them without re-entering the program. **You can always see which Company\Sub Group you are currently working in by viewing the caption of the Main Menu.** It will list the Company\Sub Group after COBRA Administration Manager in the blue section at the top of the form.

To know what group you are administering at any given time, review the title bar in the upper left-hand corner of the program. The name will show after the software name.

To change from one Working Sub Group to another, simply click the FILE Menu followed by the “Change Working Groups” option.

A drop down box will list all eligible working groups you may switch to. To review those choices, click the down arrow on the drop down box, position the mouse arrow over the desired Company\Sub Group and click. Once selected, click the Ok command button to change to the new working group. You will notice that the

caption in the Main Menu will change to illustrate the change in groups. If you do not want to change to a new Working Group, click the Cancel command button.

The program offers a faster way to change company/sub groups. By placing your mouse over the left side of your screen, the alphabet will show. By moving your mouse over the first letter of the company you wish to administer, a list of all companies beginning with that letter will be shown. Position your mouse over the company you wish and click. You should notice that the name at the top of your screen will change to the new organization.

## **Delete a Company\Sub Group**

If you have created a Company\Sub Group in error or are no longer responsible for administering COBRA for a particular Company\Sub Group, you may delete it from the program. **Remember, once a Company\Sub Group has been deleted, it is difficult to restore.** A new feature of the program is the ability to make an account INACTIVE. Instead of deleting the group, you may open the Company Information under the GROUP INFO Menu and click the “Make Company Inactive” checkbox. The system will maintain the information but will not track its things-to-do.

If you elect to delete the company/sub group versus making it inactive, click the FILE Menu followed by “Delete Company\Sub Group.” You will be shown a drop down box with a list of Company\Sub Groups to delete. To review that list, click the down arrow on the drop down box. Position your mouse pointer over the desired Company\Sub Group to delete and click. Once it is shown in the textbox, you may click the Ok command button to delete the directory. To exit without deleting a Company\Sub Group’s directory, click the Cancel command button.

If you have a need to restore the files, they are sent to your Recycle Bin. You would need to first Create a New Company/Sub Group (as explained above) and then copy all the files from the Recycle Bin to the newly created folder.

## **Exit**

To exit the program, click FILE/Exit. You may be asked if you wish to backup your data. You may also exit the program by clicking the “X” in the upper right-hand corner of the program.

## THE EVENTS MENU

The Event Menu handles COBRA issues from acceptance to multiple qualifying events. We called it the “Events” menu because when some event happens, most likely you will need to use this menu to update Qualifier and Participant’s files.

### Qualifier Accepts COBRA

The COBRA legislation provides sixty (60) days from the later of termination of coverage or notification of COBRA rights to accept COBRA. Once you have entered information on a new COBRA Qualifier and sent them their COBRA Qualifying Event Letter, they will either contact you or send in the Election Form stating their Acceptance of COBRA. This event triggers you to enter additional information.

Upon acceptance you will need to inform the system that this Qualifier should become a COBRA Participant. To do this, you will need to know certain information. It is essential to know:

1. The Acceptance Date - Has the Qualifier notified you within the sixty (60) day decision-making period?
2. Which insurance plan(s) is the Qualifier going to continue?
3. Who is enrolling? Since each person on the employee’s plan is eligible to continue independently of each other, are they all to be enrolled on the same plan or separately?
4. Coverage Type - For each plan you will need to know who will be enrolling so you may determine tiers and rating.

When a Qualifier accepts COBRA, you will need to send COBRA applications (forms provided by the insurance companies) to the Qualifier(s) for completion. Most insurance carriers will not accept the program’s Summary and Election Form as a COBRA Acceptance form. Once received, you need to notify the database that this Qualifier should become a Participant.

Click the EVENTS Menu followed by the “Qualifier Accepts COBRA” option. The COBRA Acceptance Form will appear and you need to click the check box of the person (or



When selecting the COBRA Qualifier, select only the Subscriber from the list. (The others will be considered dependents.)

persons) that will be the subscriber continuing under COBRA. You should only click check boxes of people to be subscribers.

A subscriber is the person that will be billed for the insurance coverage. They may have dependents on their plan but you would not place a check by their name. The only time you would click more than one box is if there is more than one Qualified Beneficiary electing COBRA separately. For example, if you had a dependent that only wanted dental coverage while all others wanted medical only, you would check both the subscriber for the family and one by the dependent electing dental only.

Once you click the appropriate boxes, click the Ok command button. This will bring up the COBRA Participant Enrollment Screen. You will need to complete the general information on the Participant Data Tab. The Participant's address should be their mailing address so that invoices will be received in a timely fashion.

Enter the date the Qualifier first notified you of their continuation (usually the date on the COBRA application or COBRA Election Form). Next, you will need to select the plan(s) the Qualifier has chosen. To do this, click the down arrow on the Medical drop down box. Even though the Qualifier did not elect to continue the medical plan, you must choose a selection from this drop down box. If they are not continuing a medical plan, select "Not Enrolled in Medical." Follow the same procedures for selecting a dental plan.

You may notice under the plan information that not all plans are listed. In fact, the only plans that should be listed are the ones that the Qualifier was enrolled on the day prior to the "qualifying event." This is because they are not eligible to enroll in any other plan at this time. If the person has moved from their insurance plan's service area and another plan is available in the new location, you should enter them into the "invalid" plan and then perform the Open Enrollment/Plan Change procedure

If the person has elected to continue under an "Other" Plan, click the file folder tab called "Other Plans." Click the box next to the name of the insurance plan followed by the coverage box. Click the appropriate coverage type and click the Dependents file folder tab. Enter only dependents that are to be enrolled under the group plans.

At the bottom of the page, click the Ok command button which will save the new file as a Participant's file. If you select the Cancel command button, the information will not be saved and the Qualifier will not be shown as accepting COBRA.

If you have selected more than one subscriber, the program will display a new Participant Entry Form with their name entered. Complete this file in the same manner as just described.

## **Participant Deemed Disabled by SSA**

**T**he COBRA legislation allows for COBRA Participants to extend their eighteen (18) months of continuation coverage an additional eleven (11) months if they were “disabled” prior to the “qualifying event” or in the first sixty (60) days of COBRA and are determined to be “Disabled” by the Social Security Administration within the first eighteen (18) months of COBRA coverage. Social Security will send notification regarding their acceptance of disability and a copy of this letter obligates you to offer a total of twenty-nine (29) months from the original COBRA start date. As the administrator, you have the ability to charge up to a 50% administrative fee in the eleven (11) additional months. This provision was placed in for self-funded programs that are assuming a greater risk with a disabled Participant in which claims may far exceed the premiums received. (If you do not want to charge this 50% fee, you may enter the desired fee under the Company Information screen.)

Both the Initial COBRA Notification and Qualifying Event Letter provides a brief explanation on the Participant’s responsibility to notify you if they are considered disabled by the Social Security Administration (SSA). If they send a copy of their Social Security acceptance, you will need to update their file to illustrate their disability and increased time frame under COBRA.

To change a Participant to a Disabled Participant, click the EVENTS Menu followed by the “Participant Deemed Disabled by SSA” option. Select the Participant’s name from the drop down box or type in their Social Security number in the upper textbox. Click the Ok command button and the Participant will be changed to a Disabled Participant.

Some States require that you offer more than twenty-nine (29) months of continuation for “Disabled Participants.” If so, you may go into the Participant’s File, click the COBRA Statistics file folder tab and change the Maximum Number of COBRA months to your state’s mandate. If someone should be offered lifetime coverage, calculate the number of months the Participant has until his sixty-fifth (65th) birthday. This will provide coverage until the Participant is eligible for Medicare.

If an error was made and a COBRA Participant was granted the eleven (11) month extension and you need to correct the system, open the Participant’s file, click the COBRA Statistics tab and turn off the Disability check box. The Maximum Months under COBRA and COBRA Completion Date will be recalculated.

## Dependent Experienced a Multiple Qualifying Event

Only Dependents may experience a “Multiple” or “Secondary” qualifying event.

The COBRA legislation, through some revisions and updates, basically offers COBRA Participant’s the same rights as active employees. Many employers thought their job was complete when they offered qualifying event notification but the reality is employers have responsibility throughout the COBRA time frame.

Multiple Qualifying Events may only occur to Dependent Qualified Beneficiaries that initially experienced a Termination of Employment or Reduction in Work Hours (but also including newborn or adopted children). Dependents that experience another “qualifying event” while receiving coverage under COBRA are eligible to continue for up to thirty-six (36) months from the originally COBRA start date. For example, John Smith is terminated and accepts COBRA for him and his family. After sixteen months, John gets a divorce. His spouse notifies you of the divorce within sixty (60) days. You must offer her and the children the right to continue COBRA for a total of thirty-six (36) months. Effectively, John’s COBRA coverage would terminate after eighteen (18) months while his spouse and children’s coverage would continue for thirty-six (36) months.

Multiple Qualifying Events are explained in both the Initial COBRA Notification and Qualifying Event Letter. It is the responsibility of the COBRA Participant to notify you of a Multiple Qualifying Event (within sixty days from the date of the Multiple Qualifying Event).

When notified of a Multiple Qualifying Event, you must set up an account for the newly qualified beneficiary. To perform this task, click the EVENTS Menu followed by the “Dependent Experienced a Multiple Qualifying Event” option. From the drop down box, position your mouse pointer over the Participant’s name and click. Click the OK command button and you will be shown a form asking three questions.

- 1) Which dependent experienced the qualifying event? (In the case that all dependents experience the event, select the adult or eldest child.)
- 2) What qualifying event was experienced?
- 3) What is the effective date of change (meaning – on what date will the person start being charged their own premiums)?

The COBRA Participant Entry Form will be shown. It will have placed the selected person’s name in the appropriate textbox and you must continue entering the new Participant’s address, birth date, and enrolled plans. Enter any dependents under the Dependents file folder tab. Upon completion, click the Ok command button. This will store the new file and set up a billing file.

This will extend the person’s COBRA coverage for a total of thirty-six (36) months from the original qualifying event experienced (termination or reduced work hours). Now, you need to go back to the original subscriber’s file and delete this person (and any enrolled dependents) and change the coverage type to explain the deletion of the dependents. (If you

forget to delete the new Qualifier from the original subscriber's plan, they may be billed incorrectly). If the system can determine the event, it may make the changes for you but we recommend that you ensure that it has taken place.

If the change is effective in a previous month, you will need to go to the BILLING Menu and review the Participant's account. Make sure the premiums are consistent with the change (i.e. premiums are Single coverage versus family).

## **COBRA Participant Dies**

**I**n the rare event that the COBRA Participant (the subscriber) dies, the system will either terminate coverage or (if a dependent is present) lead the user through the Multiple Qualifying Event procedure. If the Participant did not have dependents on his/her plan, there is no notification produced.

## **Remove Individual from Participant's Plan**

**T**here are times when a COBRA Participant may want to voluntarily remove himself, herself or a covered dependent from their continuation coverage. In the past, this may have confused some users so the process was simplified. Once the user selects the person to be removed, the system will determine the new rate for the Participant and produce a termination letter to be sent to the person being removed.

## **Open Enrollment/Plan Change**

**A**n Open Enrollment is a designated time of the year when active employees may change insurance plans. The COBRA law suggests that COBRA Participants should be offered the same rights as a similarly situated active employee but many insurance carriers interpret the law differently. Prior to offering COBRA Participants the opportunity to change plans, please check with your insurance carriers to verify their acceptance of COBRA Participants during an Open Enrollment.

In addition, the "Open Enrollment/Plan Change" option allows the user to change COBRA Participant's to different insurance plans. You will notice that the Medical, Dental and Other plans shown on a Participant's file folder are the plans they have enrolled in. If your insurance carrier allows for COBRA Participants (the same way they allow active employees) to change to their plans during Open Enrollment, you will need to make the changes through the Open Enrollment procedure.

To change a COBRA Participant's insurance plans, follow the steps described under the Open Enrollment / Plan Change procedure.

type of coverage from the drop down box to the right of the carrier's name. Save the new plan information by clicking the Ok command button.

To change the plan(s) a COBRA Participant is enrolled in, click the EVENTS Menu followed by the "Open Enrollment/Plan Change" option. The COBRA Participant Entry Form appears with insurance plan information left blank. Please select the appropriate plans and coverage type. If a Participant is no longer enrolled in a medical or dental plan, please click that option so that all plan drop down boxes are completed.

To enroll a Participant in an "Other" plan, click the "Other Plans" file folder tab and then the box to the left of the desired plan. Complete the entry by selecting the

Since you have changed one or more insurance plans, the COBRA Participant's Account File may need to be altered to reflect the new premium amounts. Remember to Review the Participant's Account (part of the BILLING Menu) and see that the program has calculated rates correctly for the current month. If not, click your mouse into the Premiums textbox and enter the correct amount owed. The system will automatically adjust the balances to reflect the change.

## Group Enrollment in a Plan

Your COBRA administration software not only stores information on COBRA Qualified Beneficiaries, but retains import information on your enrolled active employees. With the recent requirement to offer plan specific information in the COBRA General Notice, new fields were generated in the software to store active employee plan information. Your software has recently been upgrade to assist you with entering employees into a new/replacement plan during an annual open enrollment.

In the past, you would have to open up each active employee's file to enter/change them into a new insurance plan. The program has been streamlined allowing the user to perform a "mass enrollment," therefore eliminating the process of opening each individual file.

If your firm is changing or offering a new insurance plan, you will want to enroll your active employees into the correct plan(s). Under the Events Menu, you will notice a new option; "Group Enrollment in a Plan." To perform a group enrollment, click on this option and follow the steps below.

- 1) Select the type of employee (either Active Employee or Current COBRA Participant) you wish to enroll in a plan.
- 2) Next, select the name of the plan from the dropdown list to enroll employees/Participants. (Only active plans show in the list.) Once a selection is made, a list of eligible employees/Participants will show in the enrollment list. If no employees/Participants show in the list, there are no eligible employees/Participants at this time. No one will show as having coverage. It is your responsibility to enroll them in the correct coverage type.
- 3) With the list of employees/Participants showing, the next step is to enroll them in the correct coverage type. To enroll employees/Participants in the selected plan, we first recommend creating a list of eligibles, separating them by the coverage type. For example, place all the employees/Participants who have selected “Single Coverage” in one list followed by those who selected “Family Coverage,” etc. From that list, begin by clicking on the person’s name in the list (which will highlight it). If more than one individual has enrolled in a coverage type, hold your Ctrl Key down and click on their name. Continue to select employees/Participants until all individuals who are enrolling in a similar coverage type are highlighted.
- 4) You will notice the “coverage types” listed in a listbox to the right. With the desired individuals highlighted, click on the correct coverage type in the list to the right. This will enter the coverage type in the field next to the names.
- 5) Continue step 3 & 4 until all desired employees have been entered into a coverage type for the selected plan.
- 6) For employees/Participants who will NOT be enrolling in the plan you selected, do not select a coverage type for them. If you accidentally enter them into a coverage type, click on their name (and only highlight their name) and click the Remove Coverage Type button.
- 7) Once the desired individuals are enrolled in the correct coverage type, click the Enroll button.

You would continue this process for both employees and Participants and for all plans enrollment is to take place. The Group Enrollment Procedure will not show in your Things-to-do list so as insurance plans renew, you will want to keep a mental note to perform this procedure.

## **Terminate COBRA Coverage**

**T**here are many reasons to terminate a Participant’s COBRA coverage. Some may be voluntary, others may be required by law. The following are the most common reasons to terminate COBRA Coverage:

1. Participant has reached the end of their maximum COBRA time frame;
2. Participant did not make monthly COBRA premium payments in a timely manner;

3. Participant notifies you of their desire to voluntarily terminate coverage;
4. Participant becomes entitled to Medicare;
5. Participant receives coverage under another group plan (and does not have any medical pre-existing conditions that would not be covered under the new group plan); or
6. Participant moves from your insurance company's "service area" and is no longer eligible under the carrier's contract (or another plan available to similarly situated active employees in the new location).

If any of the above events take place, you may terminate the Participant's COBRA coverage by clicking the EVENTS Menu followed by the "Terminate COBRA Coverage" option. Select the Participant's name from the drop down box or type in their Social Security number in the upper textbox. Click the Ok button and you will be asked the reason for COBRA termination. Select a reason from the drop down box. You will notice that the system will calculate the termination date based upon the premiums paid through date. Make sure that you have entered all payments the Participant has made prior to terminating coverage. Click the Ok command button to authorize the termination. Once terminated, the system will advise you to send a COBRA Termination Notification. You may double click in the Things-to-do List and the letter will be prepared with the Participant's data. Print and send as soon as possible.

## **Reinstate COBRA Coverage**

**I**t may become necessary to reinstate a Participant's coverage for an administration error or the Participant changes his/her mind prior to their voluntary termination date. To reinstate a COBRA Participant's coverage, click the EVENTS Menu followed by the "Reinstate COBRA Coverage" option. Select the Participant's name from the drop down box or type in their Social Security number in the upper textbox. Click the Ok command button and the Participant will be returned to active COBRA status. The Participant's Account will be updated to reflect if further premiums are owed for the time they were considered "terminated."

Because you have reinstated the Participant, the Things-to-do box will illustrate what should be done next for this Participant. If they have not paid in a timely fashion, it is going to recommend termination. Administer as you feel is appropriate.

## THE GROUP INFORMATION MENU

The Group Information (Group Info.) Menu is where you initially enter information on your company/organization, Third Party Administrator and insurance companies.

### Company Information

The COBRA Administration Manager uses information on both your company and the group insurance plans in notification letters, monthly invoices and reports. You must enter the information in these areas prior to entering Qualifiers/Participants.

You may enter the information in two (2) ways. Either double click the “IMPORTANT - Enter Company Information Now!” in the Things-to-do box that is shown on your screen when you start the program or click the Group Information Menu and select “Enter Company Information.”

Type in the name of the company for which you are administering COBRA followed by the mailing address to which correspondence is to be received from a COBRA Qualifier or Participant. You are provided an “Address Overflow” line if you need additional space for an address entry. Next, enter the name of the Administrator (i.e. the person signing COBRA notifications or the qualified contact at the company), job title, phone number, fax number and e-mail address.

After enter general company information, you will need to enter the percentage that your organization will be charging a COBRA Participant and a Disabled Participant for administration. By law you may charge up to two (2%) percent for common COBRA Participants and up to fifty (50%) percent for Disabled COBRA Participant during the eleven month extension. It is recommended this remain constant throughout your administration or you may expose the company to a discrimination suit. If you are a Third Party Administrator,

click the designated checkbox and complete the form on TPAs (also under the GROUP INFO Menu).

Next, you must select any optional plans your firm is offering to employees. A Section 125 Cafeteria Plan that offers a Flexible Spending Account/Medical Reimbursement Account should be checked if available to active employees. If you just have a Premiums Only Plan (POP) style Cafeteria Plan, it is not necessary to check this option. If you would like the program to bill insurance premiums for Retired Employees, check the appropriate box. If your state requires you to offer life insurance as a COBRA plan, check the bottom check box. (The Federal COBRA law does not require COBRA continuation on life insurance but States such as Minnesota have state mandates requiring life insurance as part of COBRA). Lastly, you may enter any notes you wish on the company.



(The Federal COBRA law does not require COBRA continuation on life insurance but States such as Minnesota have state mandates requiring life insurance as part of COBRA). Lastly, you may enter any notes you wish on the company.



Here is where you enter if you have a Medical FSA, Retiree Benefits, state mandated life insurance continuation and if your firm is eligible for Trade Act Assistance.

of the form.

Upon completing the form, click the OK button to store the information. If for some reason you do not want to save the information, merely click the Cancel button to return to the Main Menu. Company information can be changed at anytime by recalling this form and making the necessary modifications.

The program offers the ability to make the company/sub group inactive. This means that it will retain all the entered information but will not track COBRA events any longer. It will not show in the Things-to-do box as having administration to perform. The advantage of this over deleting the account is that the data is saved for future inquiries. To make the company inactive, click the checkbox at the top

## Third Party Administration Info

The Third Party Administration Info option will be shown only if you have selected that option in the Company Information Form as described above. If you are administering COBRA for an account, you should enter information on your TPA or centralized location in this form.

Information on the form allows you to establish who will be signing the letters (TPA or Company Representative) and where COBRA payments are to be sent (TPA or Company). It also allows you to designate who the Plan Administrator will be. This is important because it will be entered into the Qualifying Event and General notices.

For new accounts you will need to make sure you check the appropriate box on the Company Information Form and then complete the TPA information.

A new feature of the software is to enter charges for certain events and produce a monthly invoice to the client. Since there is not a standard for billing, the program offers multiple options. You may use one or more of the selections or create your own. When you make changes, you will be asked if you wish to change the TPA information in your other groups. This will eliminate having to change to each group and making the change there.

There are a few other options you may change globally. You will have the ability to change which General Notice and Qualifying Event letter you prefer to use. Many clients have called and asked why we offer two sets of notices. In the past, we created our own letters which we updated as needed. With the release of the 2004 final regulations, the Department of Labor (DOL) released their own letters which satisfy the notification requirements. Since their letters have the “Good Housekeeping Seal of Approval,” we elected to make them the default letters. On the other hand, we had numerous employers have their legal council update the letters we provided and feel they better meet their needs. It is your choice as to which letters to utilize. If you wish to globally make a change for all your groups, make the appropriate selections on the TPA information form.

## **Enter New Insurance Plan**

As with the company data, it is essential to enter information such as group insurance plan name, type of insurance and monthly rates prior to entering COBRA Qualifiers/Participants because the data actually become part of a their file. As you will see after a few minutes of entering Qualifier's/Participant's information, the program asks you to select insurance plan information from drop down boxes. If they are not entered, you will be unable to select the correct plan(s).

Prior to entering group plan information, it's important you have an understanding of plans eligible for COBRA continuation. The following are plans requiring the offering of COBRA Continuation Coverage:

- 1) Medical Indemnity Insurance Plans
- 2) Preferred Provider Organizations (PPO)
- 3) Health Maintenance Organizations (HMO)
- 4) Exclusive Provider Organizations (EPO)
- 5) Dental Indemnity Plans
- 6) Prepaid Dental Plans

- 7) Prescription Drug Plans
- 8) Drug/Alcohol Treatment Plans
- 9) Vision Plans
- 10) Hearing Plans
- 11) Long-term Care Plans
- 12) Free-standing Psychiatric Plans
- 13) Medical Reimbursement Accounts under Section 125
- 14) Life insurance is mandated in some States (MN)

Keep in mind that your group short-term and long-term disability programs, Worker's Compensation coverage or any wellness plans are not eligible for COBRA continuation.

This software divides COBRA eligible plans into three categories; medical, dental and "other" plans. Medical plans are represented by plans one through four of the list above. Dental plans are shown as five or six and "other" plans would be seven through fourteen in the list. These breakdowns are important when entering plan data.

To enter your plan information, either double click "IMPORTANT - Enter Insurance Co. Information Now!" or click the GROUP INFO Menu followed by "Enter New Insurance Plan."

The first section of the form is Insurance Company name, address and phone number for customer assistance. The system will also want to know if the insurance contract was written in California. If so, click the checkbox and the system will administer CalCOBRA for you.

**Group Health Insurance Plan Information**  
File 1 of 1

Insurance Company Name: Green Cross & Green Shield  
Mailing Address: 3030 North Central  
City, State and ZIP Code: Anycity, CA 90123  
Customer Service Phone #: (818) 555-5555  
 This Policy was issued in California AND is a fully-insured medical plan.

First Day of Contract Year: 01/01/2005 Last Day of Contract Year: 12/31/2005  
Type of Insurance Plan ("Other" means "Not a medical or a dental plan"): Medical  
On what day does TERMINATION from the Plan become effective? End of Month  
May Participants CONVERT to an individual plan at the end of COBRA term? Yes  
Dependent Children are termed on what birthday? 19 What if a Full-time Student? 23  
Rating Structure (Tiers): Single, 2 Party, EE + Child & Family Plan Number: 1

	Single	2 Party	EE + Child	Family
Rates:	250.00	500.00	480.00	750.00

Enter the rate the Group/Company is billed. (Do NOT include the 2% administration fee)

Ok Cancel

The second section asks questions regarding the insurance company's administrative procedures. Enter the contract effective date (or the most recent renewal date). The date that you enter insurance information should be between the First and Last Day of the Contract Year entered. This is so monthly premiums will be calculated correctly for current COBRA Participants. The program retains rates from the prior seven years so if you are about to renew, you may want to first enter the existing rates, save them and then edit them with the new contract year and new rates.

Your Insurance entry form may not show rates on the front of the form if you elected to "Create Your Own Tier Structure."

The type of insurance plan is a comprehensive medical plan, a dental program or the remainder fall into the "Other" category. Push the down arrow to review the options and click the appropriate type of plan. You will

have the ability to enter more plans so do not try to enter all your insurance information on this one form. It is recommended that you first enter all of the “medical” followed by the “Dental” and “Other” plans.

Next, the program requests your company's Termination Regulation. There are two choices; coverage terminates at the End of the Month in which an employee is terminated or coverage terminates the Date of Termination. Most companies have coverage terminating at the end of the month to limit the burden of tracking billing issues. If you are not sure, please contact the insurance company. This selection is very important! **You may only have one Termination Regulation (either End of Month or Date of Termination) so if you have plans with a different Termination Regulation, select the Date of Termination regulation and enter the qualifying event date based upon the actual date coverage will be lost.** If you elect the Date of Termination option, you will be given some billing options as explained in the BILLING Menu section of this manual.

Most insurers allow employees to convert to an individual plan upon termination of coverage. The reason is similar to COBRA, to allow people with medical pre-existing conditions to continue coverage on an individual basis without a lapse in coverage. There are two problems with conversions, many times the benefits are substantially reduced and premiums excessive.

Under the COBRA legislation, you must offer a person the right to convert to an individual plan upon completion of their COBRA term. If your state laws mandate something different, you have a self-funded plan or coverage cannot be converted, click “No.”

The COBRA law suggests that a COBRA Participant should be offered the same rights as an active employee, therefore allowing them to change plans during an annual Open Enrollment. Many insurance companies argue this point, not allowing COBRA Participants to enroll in their plan during an Open Enrollment. Click “No” if you are not sure or “Yes” if you are positive of their acceptance of COBRA Participants.

Next, most insurance companies define what an eligible dependent is by age or marital status. The most common is to cover all legal dependents until age nineteen (19) or twenty-three (23) if they are a full-time student. This information is usually found in the insurer's contract.

Lastly, you will need to select an insurance plan tier and enter rates. The most common rating tiers are shown in the drop down box. If your insurance company offers something other than a 2, 3 or 4-tier plan, click the “Other” option. **If your firm offers 2, 3, or 4-tier plan but the labels are slightly different, we recommend you still select the one that represents your plan because the functionality of the plan is more comprehensive than entering your own tiers.** The “Other” option allows you to enter the name of the tier (up to sixty tiers) and the associated rates. This can be useful if you have a plan that is age-rated. Keep in mind, this program will not automatically rate Participants based upon age. You are responsible for changing the Participant's file when they enter a new age bracket.

The software does not track age-rated plans. You will be responsible for changing the Participant's file when then enter a new age bracket.

Upon making your tier selection, the form adds rate entry textboxes. The tier names are located above the textbox that you are to enter rates. For example, you would enter the rate for single coverage under the textbox showing “Single.”

**Please enter the monthly rate the insurance company charges you for the associated tier. The program will automatically add the administrative charges that you specified in the Company Information form.**

If you selected “Other” as the tier structure, a new form will appear with sixty (60) empty textboxes. You must then designate a name for the tiers and enter the associated rate next to the tier name. Enter rates only in boxes that you have designated as a tier. Leave unused boxes empty and do not skip textboxes (i.e. don’t use textboxes 1, 2, 3 & 5). If you have a need for more than the initial twenty boxes, click the Next 20 command button. When completed, remember to click the Ok command button to return to the Insurance Entry Form.

Do not try to enter all your plans under the Other tier option. You will go through the same “Enter A New Insurance Plan” process for each of the plans you offer.

Once the form is completed, click the OK button. This will store the information on your hard drive. (If you wish to exit the form without saving the information, click the Cancel button). Now, repeat the process for all eligible COBRA insurance plans.

The program will maintain rates for seven years. You may enter rates from a previous year but it is not necessary unless the program will need the old rates for calculation purposes. If you are within three months after the renewal of an insurance plan, it is recommended that you enter the last plan year’s rates.

Since the company may change insurance companies over the years, you may make an insurance company inactive, meaning it will not be available for future Qualifiers. To make an insurance company inactive, click the associated checkbox at the top of the form and save it by clicking the Ok button.

If you are changing insurance plans, you will have to go through the Plan Change/Open Enrollment procedure for each COBRA Participant/Retiree. This will update the rates that need to be charged for everyone.

## Review or Edit Insurance Plan

You may have a need to change information on an insurance plan such as an address, phone number or any of the other fields. Probably the most important change you make will be to the rates on annual basis. The program will notify you approximately 15 days prior to when rates will lapse in the Things-to-do List. So that Billing remains correct, it is essential that the renewal rates are entered in a timely manner.

In the month prior to the insurer’s renewal, open the Insurance Company Review Form by clicking the Group Info Menu followed by the “Review or Edit Insurance Plan” option. From the drop down box, select the desired insurance company by positioning the mouse

pointer over the insurer's name and click. Once selected, click the Ok command button and the Insurance Company Information Form will illustrate the current data on the carrier.

When entering renewal rates, make sure you also change the contract year's start and completion date.

Changing rates requires you to change both the rates and the contract dates. First, position the I-Beam over the First Day of Contract Year field and click. This will position the cursor in the field waiting for your change. Usually, you will just need to change the year. Once correct, either press the ENTER or TAB key to change to the Last Day of Contract Year and update it to the renewal completion date.

Next, update the rates to the renewal rates. The old rates are automatically stored and the program has access to them when determining a prior month's premium. Once the rates have been updated, click the Ok command button to store the changes. If you wish not to save the changes, simply click the Cancel command button. Please do not hesitate to enter renewal rates. The system will not use the new rates until the appropriate date.

If you change the "On what day does TERMINATION from the plan take place" field, it will change it for all plans. This program does not support different start and completion dates for your different plans. If your dental carrier (or other plan) will not allow you to change their termination regulations to match the medical carrier (which we recommend you try to do), you will need to edit the COBRA General Notice and Qualifying Event letter and state the plans have different termination dates.

If you no longer offer a plan, you may want to make it "Inactive." By making the plan inactive will remove the "Enter Insurance Renewal Rates" from the Things-to-do list. It is recommended you make a plan inactive versus deleting it from the database.

## Delete an Insurance Plan

You may want to consider making the insurance plan inactive versus deleting it so that people's records will remain accurate. At other times, it may be easier to delete the plan so that you may automatically enroll existing Participants into a new plan.

The Deleting an Insurance Plan function will ask you to enroll COBRA Participants into another similar plan or just terminate them from the deleted plan. For example, if your firm changes insurance companies, you must offer COBRA Participants the right to enroll in a similar plan. For billing purposes, you will also need to input changes into this program. The COBRA Administration Manager tries to make the change as simple as possible. When deleting an insurance plan, the following screen will appear providing options on COBRA Participant's.

You must select one of the options for handling COBRA Qualifiers and Participants when deleting an insurance plan. The two options you have are to automatically enroll all COBRA Qualifiers and Participants into another similar (medical, dental or "Other" type plan) or un-enroll all COBRA Participants because no similar plan has been implemented. If the new

plan does not have the same tier structure, you must un-enroll all affected COBRA people and enter them into the new plan through the Open Enrollment/Plan Change procedure.

Once you have made your choice of options, make sure the correct plan name is shown in purple and click the Delete command button. If you wish to escape without deleting the insurance plan, click the Cancel command button. If you elected to print a list of affected people, you will need to either open their files and un-enrolling them or enter them into a new plan.

## THE NOTIFICATIONS MENU

The NOTIFICATIONS Menu is the work horse of the COBRA Administration Manager. It allows you to print, edit, create and delete important COBRA notifications. The NOTIFICATIONS Menu houses a powerful word processor that makes editing a breeze. And, when creating letters, you may even place variable information by using standard variables located in the document.

The COBRA legislation states there are five (5) COBRA notifications that must be distributed. The first is the General Notice (formally known as the Initial COBRA Notification Letter) that explains the law and provides directions for dependents that experience a “qualifying event.” This letter should have already been sent to all employees and their covered dependents that are covered under a COBRA eligible group plan.

The second required notification is the COBRA Qualifying Event Letter. It should be sent to “qualified beneficiaries” (the person or people that lose coverage because of the qualifying event) within forty-four (44) days from the date they will be terminated from the company’s group plan. It explains their COBRA rights, important dates and provides an Election Form to be returned signifying their acceptance of COBRA. **Although you legally have forty-four days to send the notification, it is recommended you send the notification as soon as you are aware of the qualifying event.**

The required third letter is a Conversion Notification. This notification should be sent to COBRA Participants in their last 180 days of COBRA continuation coverage. It explains their right to convert to an individual plan without having any medical pre-existing condition limitations. In theory, the letter is a good idea but not all insurance companies and self-funded plans are required to offer a conversion, and when they do the rates can be outrageous. If your plan does not allow for conversions, it is recommend that you contact a benefits attorney for advice and make sure the response to the associated question in the Insurance Plan Entry forms states “No.”

Effective June 1, 1997, on your plan’s renewal date, your firm is responsible for providing a Certificate of Coverage to individuals terminated from a group plan. Each letter that is sent dealing with a person being terminated from a plan will include a Certificate of Coverage. Many insurance companies may send a Certificate of Coverage upon termination from the plan but employers (not insurance companies) are responsible for providing this document.

The 2004 HIPAA final regulations changed the Certificate of Coverage. It only calculates time frames less than 18 months and provides a brief explanation of the HIPAA legislation.

The fourth required notification is the “Unavailability of COBRA Coverage” notification. In the event a Qualifier/Participant notifies you they wish to continue coverage but is not/no longer eligible to continue, you are required to send a letter explaining why their coverage will not be continued. This letter was required with the implementation of the 2004 final regulations.

The last required document is a COBRA termination letter in the event a Participant is terminated prior to the end of his/her maximum time frame under COBRA. The software has always offered this notice but also includes a letter upon completion of the entire COBRA time frame. The system has four unique termination letters and you will be prompted by the Things-to-do box to send the appropriate notice during normal administration of COBRA.

This program assumes that all employee and covered dependents have received their General Notice. If not, distribute it immediately. It is also recommended the General Notice be part of your new hire packet/Sample Plan Description (SPD) and sent to both the employee and covered spouse. (The law does not require a separate General Notice be provided to dependent children).

Prior to describing the options in the NOTIFICATIONS Menu, it is important you have an understanding of the word processor portion of the program. You will notice that the program will automatically load the word processor anytime there is printed material needed.

As you will notice, the word processor is very similar to many conventional word processing programs. It offers speed buttons such as the Save (a floppy disk), Cut (scissors), Copy (two documents), Paste (document on a clipboard), Bold (“B”), Italics (“I”), Underline (“U”), Text Layout (left justified, right justified, centered and both sides justified) and different types of Tabs. In addition, you may change the Type Style and Point Size to meet your needs.

The FILE Menu of the Word Processor offers many of the same features such as Save, Save As, Print Preview, Print and Close Word Processor. The Save option, as well as Save button will save any changes you make to your document. The “Save As” option is for saving newly created documents that you want to save and utilize in this program. The system also has the ability to save a document as an Adobe PDF file. PDFs are standardized documents that cannot be altered but most computers have the capability of opening them. This feature maybe used more in the future as notices are emailed to Qualifiers and Participants as an attachment to an e-mail.

To print letters, you would select from the FILE Menu the “Print” option followed by the Ok button in the Print Form. The Print Preview allows you to see how the document will fit onto a page.

To exit the word processor, click the FILE Menu followed by the “Close Word Processor” option and you will return to the COBRA Administration Manager’s Main Menu.

The Edit Menu offers your normal editing features such as copy, cut, delete and paste. These features are used in conjunction with highlighting a section of text. To highlight text, place your mouse pointer at the beginning of where you want to begin editing and hold down your mouse clicker. Drag the mouse pointer to the last portion of text that you want to edit and release the mouse clicker. Then, click the Edit Menu followed by the desired editing option. The cut and delete option will remove the highlighted area from the screen. The copy option will copy the highlighted area to a “clipboard” and hold it there until you paste it elsewhere in a document. Once you select Copy, position the cursor in the exact location you want to insert the highlighted area. Click the Edit Menu followed by the “Paste” option and the highlighted area will be entered and reformatted.

The Format Menu offers incredible flexibility to making the document print as desired. The “Character” option allows you to enter unique characters such as ® and others. The “Text Color” is used to color text. The “Paragraph” option allows you to indent paragraphs. The “Document” option allows you to change margins (for the selected document only). Lastly, the “Page Break” will start a new page (but does not show any indication on the screen).

Obviously, the word processor offers more features than most COBRA Administrators are going to utilize but it is nice to know that you have many capabilities in meeting the ever changing world of technology.

Remember, the word processor document is a What You See Is What You Get (WYSIWYG) on your printed page. If you change the Background Color to Blue because you find it easier on your eyes, the printer will try to print as shown - virtually all black.

The COBRA Administration Manager comes with authorized letters ready for your use. You can edit these or design your own. If you want to start over again, you can easily change back to the original. The letters are copy written and cannot be sold or distributed without the written consent of COBRA Solutions, Inc.

Feel free to play with the word processor becoming comfortable with its features. Once you have an understanding of its capabilities, the following Menu items will assist with the administration. Most letters will have variables (a short description between the Less Than (<) and Greater Than (>) signs. Preparing Letter with person’s data will automatically input an employee, Qualifier or Participant’s variable information.

## **Prepare Letter (With Person’s Data)**

**M**ost of the time you will be able to double click from the Things-To-Do Box to bring letters to the word processor with the variable information entered. Other times it may be necessary to “Prepare a Letter (With Person’s Data)” to be distributed to an active employee, Qualifier or Participant.

To Select a Letter to Print, click the NOTIFICATIONS Menu followed by the “Select a Letter (With Person’s Data)” option. A form will appear with all eligible letters to be printed. To view the letter names, click the down arrow on the drop down box. To select a letter, position your mouse pointer over the desired letter and click. Upon selecting a letter, click the Ok command button.

If you have created a letter, the system will need to know what file type the person receiving the letter is in so that it may obtain the correct information.



If the program knows what letter you want to send, it checks the database to see what employees, Qualifiers or Participants have not received the selected letter. If you click the arrow on the drop down box to view the people needing the selected letter and there are no names, simply click the Show All command button. It will provide a list of all people that would have been eligible to receive the selected letter.

Click the person’s name followed by the Select command button. With this information the word processor module is loaded and the variable information is entered on the Qualifier/Participant. You may add/delete information, change the notification and then print it. Changes will not be saved to the Template but merely prints the letter in its changed form and saves that letter to the digital file cabinet. To print the document, click the FILE Menu followed by the Print option. Review your options in the Print Form and click the Ok command button to begin printing.

## Edit/Review a Letter

You may edit any of the provided letters to meet your needs. You may want to add information on your State requirements, delete information if not applicable for your situation or add variable information that is not currently in the Standard/Template Letter. Once you save the changes to a Standard Letter, it will remain that way until changed again or you “Replace Edited Letter with Standard Letter” (explained later in this section).

For editing procedures, please review the word processing overview at the beginning of this section. It explains how to delete, copy and paste text in a document. Don't worry about destroying our letter, we have created a way to change back the letter to its original form.

Once you have made all the desired changes, click the FILE Menu followed by the Save option. Your edited version will be saved and used in letters. Exit the word processor by selecting the "Close Word Processor" option from the FILE Menu.

## Create a Letter

**Y**ou may create COBRA letters to be sent to Active Employees, Qualifiers or Participants. If the letter is going to be generic - not addressed to anyone specifically, the creation process is very similar to creating a letter in any word processing program.

To create a letter, click the NOTIFICATIONS Menu followed by the "Create a Letter" option. The word processor will be loaded and you should make sure the settings are where you desire. Review the Type Style, Point Size and select the desired justification button.

All letters initially have a one inch margin surrounding the page. If you wish to change this, click the Format Menu followed by the "Document" option. Change the margins to the desire level and click the Ok command button.

Now you are ready to begin typing your letter. You have access to many features such as Bolding, Italics and Underlining. Once your letter is completed, click the FILE Menu followed by the "Save As" option. A form will appear asking what you want to call this created document. Type in a descriptive name (up to 40 characters) and click the Ok command button when completed. You may exit the word processor by clicking the FILE Menu followed by the "Close Word Processor" option.

The newly created letter will only appear in the current working group's directory, meaning that if you have other working groups you will need to copy the letter to all the different directories. The easiest way to accomplish this is to click the "Copy Letter to Other Groups" option found under the NOTIFICATIONS Menu. You will be asked to select the letter(s) you want copied and to which groups. It is a convenient way to create letters and have all groups access them.

To print this letter, click the FILE Menu followed by the "Print" option. Make sure the settings are correct in the Print Form and press the Ok command button.

To print this letter when you are in the Main Menu, first open the word processor by clicking the Edit Standard Letter option from the NOTIFICATIONS Menu. (If you enter the word processor through the "Prepare Letter (With Person's Data)" option, it will ask who you want to send the letter to. Since it is a generic letter, there will be no variable

information to enter). Follow the above instructions to print the letter once it has been loaded in the word processor.

If you review some of the standard letters that we provide, you will notice words having brackets (“<“ or “>“) surrounding them. Once the letter is displayed in the word processor the program looks for these variables and inserts the appropriate text. When you create a letter, all you have to do is enter the correct variable indicator and the variable information will be inserted.

To Create a Letter with variable information, follow the instructions described above but placing the following variable inserts where desired. Remember, the variables must be typed in all Caps and surrounded by the “<” and “>” symbols.

### General Information

<DATE> - Current Date

### Company Information

<COMPANY> - The current working group’s company name

<COMPANY ADDRESS> - Company’s Address

<COMPANY CITY> - City, State and Zip Code of Company

<COMPANY ADMIN> - Person Signing Letters

<COMPANY TITLE> - Job Title of Administrator

<COMPANY PHONE> - Company’s Phone Number

<COMPANY FAX> - Company’s Fax Number

<COMPANY EMAIL> - Company Contact’s email address

### TPA Information

<ADMIN FIRM> - Either Company or TPA’s name (based upon who is the Plan Administrator)

<ADMIN ADDRESS> - <ADMIN FIRMS>’s mailing address

<ADMIN CITY> - <ADMIN FIRMS>’s City, State and Zip code

<ADMIN PHONE> - <ADMIN FIRMS>’s phone number

<ADMINISTRATOR> - Individual selected to sign letters

<TITLE> - Individual signing letters’ title

<ADMIN FEE> - 0% - 2% fee charged for administration

<DISABLED FEE> - 0%-50% fee charged for disabled person

<SIGNEDBY> - The person designated to sign notices

<BILLTO ADMIN FIRM> - Organization receiving COBRA payments

<BILLTO ADMIN ADDRESS> - Organization receiving payments address

<BILLTO ADMIN CITY> - Organization receiving payments city, state and zip

<BILLTO ADMIN ADDRESS> - Organization receiving payments Administrator

<BILLTO ADMIN PHONE> - Organization receiving payments phone number

### Recipient Information

<WHO> - Person you designated to receive the Letter

<ADDRESS> - Above Person’s Street Address

<CITY> - City, State and Zip Code of above person

<SOCIAL> - Social Security Number

<QUALIFYING EVENT> - Name of Event Experienced

<TIME FRAME> - Maximum Number of Months of COBRA

<ELIM PERIOD> - Last day Qualifier may elect COBRA

<DISABLED LIMIT> - Date QB must have be disabled by to be eligible for 11 month extension

<COVERAGE ENDS> - Non-COBRA Group Coverage Termination  
 <EMPLOYEE> - Employee's Name (but not necessarily the qualifier)  
 <EENAME> - Name of the person receiving the letter (Active EE, Qualifier or Participant)  
 <SPNAME> - Spouse's name (if available)  
 <ALLKIDS> - Names of entered children  
 <ELIGIBLEQB> - Names of all "Qualified Beneficiaries"  
 <NOTIFICATION DATE> - Qualifying Event Letter Date  
 <QUALIFYING EVENT DATE> - Qualifying Event Date  
 <COBRA START> - COBRA Start Date  
 <COBRA END> - Last Possible Day of COBRA Continuation  
 <PLAN YEAR> - Medical FSA completion date  
 <TERM DATE> - Date terminated from COBRA  
 <PAID> - Participant's paid through date  
 <STATE INFO> - Information on state continuation options  
 <DEPENDENTS> - lists the dependents of Qualifier/Participant  
 <HIRE DATE> - Employee's Date of Hire  
 <BENEFITS START> - Employee's Benefit Start Date  
 <BENEFITS END> - Last day covered under the insurance plans  
 <MONTHS ON BENEFITS> - Creditable months of coverage

#### Qualifying Event Specific Variables

<XTERM> - Produces checkbox (" [ X ]") if the qualifying event was a termination  
 <XHOURL> - Produces checkbox (" [ X ]") if the qualifying event was reduced work hours  
 <XDDEATH> - Produces checkbox (" [ X ]") if the qualifying event was death  
 <XDIVORCE> - Produces checkbox (" [ X ]") if the qualifying event was divorce  
 <XMEDICARE> - Produces checkbox (" [ X ]") if the qualifying event was Medicare Entitlement  
 <XDDEPT> - Produces checkbox (" [ X ]") if the qualifying event was loss of dependent status  
 <XEMPL> - Produces checkbox (" [ X ]") if the Qualifier was the employee  
 <XLOSS> - Produces a checkbox (" [ X ]") if the Qualifier is a specific child  
 <XSPOUSE> - Produces a checkbox (" [ X ]") if the Qualifier was a spouse

#### Insurance Plan Information

<PLAN CONTACTS> - Name, address and phone number of enrolled insurance plans  
 <CURRENT PLANS> - Provides a list of enrolled plans (but needs formatting)  
 <ALL RATES> - Provides Plan Names, Tiers and Rates  
 <MED PLAN> - Name of Medical Insurance Company  
 <DENTAL PLAN> - Name of Dental Insurance Company  
 <PLAN & RATES> - Eligible insurance plans and rates  
 <PLAN NAME & TYPE> - Eligible plans (Formatting needed)

#### Variables that may only be used with the Short Payment Notification

<CHK DATE>, <CHK NUM>, <CHK AMT>, <CHK MTH>, <DIFF>, <AMT OWED>, <PAID>, <SHORT GRACE PERIOD> and <SHORT DUE DATE>

#### Variables that may only be used with the Unavailability of COBRA Notification

<UN-RECEIVED>, <UN-QE>, <UN-LO>, <UN-60>, <UN-PA>, <UN-SS>, <UN-DI>, <UN-GP>, <UN-MO>, <UN-OT>, <UN-OTHER>, <UN-DEPTS>, <UN-PLANS>, <UN-BENENDS>

#### Variables used only with the Open Enrollment Letter

<OE PAPER>, <OE DATE>, <OE CURRENT>, <OE MEDICAL>, <OE DENTAL>, <OE OTHER>, <OE 125>, <OE PLANS>, <OE DEPENDENTS>

To print this Created Letter, click the NOTIFICATIONS Menu followed by the “Select a Letter (With Person’s Data)” option. Select from the drop down box, the name you gave your letter followed by the Select Command button. Next, you need to inform the system the type of employee (i.e. Active Employee, Qualifier or Participant) to receive the letter. Next, select the person’s name from the drop down box.. Click the Ok command button and the word processor will be loaded with the variable information inserted.

To print the letter, click the FILE Menu followed by the “Print” option. After examining the options, click the Ok command button to begin printing.

## Delete a Created Letter

**Y**ou have the ability to delete created letters (but not any of the provided Standard Letters). If you have created a letter that you no longer use or wish to store, simply delete it in the following fashion.

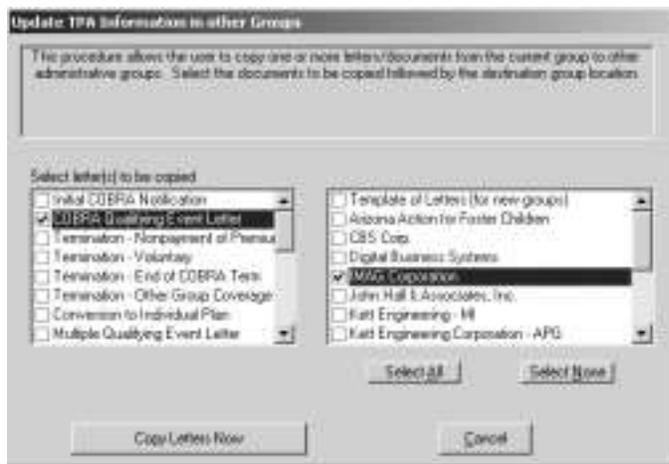
Click the NOTIFICATIONS Menu followed by the “Delete a Created Letter” option. You will be provided a list of created letters in a drop down box. Click the down arrow to review, position mouse pointer over desired letter to delete and click. Once you have selected the letter, click the Ok command button and the letter will be deleted. **Once this letter has been deleted, it cannot be recovered.** Remember the Back up will backup all letters so your letters should be safe when you use the Backup procedure.

## Replace Edited Letter with Standard

**I**f you have made changes to one of the provided letters (Standard Letters) and want to return it to its original form, click the NOTIFICATIONS Menu followed by the “Replace Edited Letter with Standard.” You will be asked to select from a drop down box, the letter to return to its original form. Select the letter by positioning your mouse over the desired letter name and click. Once selected, click the Ok command button and the original letter will replace the letter that you have edited.

## Copy Letter to Other Groups

**I**f you have the Multi-Company version of the program, you have the ability to edit or create documents and have them copied to one or more of your groups. This eliminates having to change groups being administered and then copy and paste information to a letter in that group. (Remember, the letters in each group are independent from each other allowing them to be different based upon the needs of that group.)



Once you have edited or created a new notice, you may copy it to any of your groups by clicking the “Copy Letter to Other Groups” option found under the NOTIFICATIONS Menu. A form will show with all the current group’s notifications showing on the left-hand side. On the right, is a list of all the groups for which you administer COBRA. First, select the letter(s) on the left by clicking the box to the left of the letter name. Next, select the groups to receive a copy of the edited/produced letter in the same manner. You have the ability to add/change this notice to the root directory. If you update the template letter in the root

directory, all newly created groups will have this notice available for use. As you do updates over the Internet, letters that you edited may be copied over because the system will see a new letter is available. When it copies over the letter in the root directory, it will copy the new letter to any created group. You may want to create a new letter instead of editing a provided notice so it will not be replaced during an update. Once the letter(s) and group(s) have been selected, click the Copy Letters Now button.

## COBRA Procedures

**C**OBRA Procedures is a document that is prepared for you to act as a guideline in administrating COBRA. Please feel free to print it out, read, edit and utilize to the best of your ability. By no means does it offer answers to all of your questions, but it can be used as a working document for you and subsequent administrators with your organization. (Nor should it be considered your “COBRA Manual” as recommended by the IRS and DOL.)

## Print Mailing Labels

**M**ailing labels may be printed for sending monthly invoices, notifications or open enrollment material to active employees, COBRA Qualifiers and Participants. Through the use of the word processor, the program will create a mailing list and may be printed directly onto 1” X 2 5/8” mailing labels (30 to a page).

To print mailing labels, click the NOTIFICATIONS Menu followed by “Print Mailing Labels.” First, select the employee type from the drop down box. You will be shown a list of people associated with the employee type selected. Lastly, enter the number (between 1 and 30) associated with the first label to be printed. If you previously used the first 4 labels for other work, enter a 5 (second row, middle column) into the box. When completed, click the Ok command button. The word processor will load and show the list. You may make

any changes you would like prior to printing. To print, click the FILE Menu followed by Print. Click the Ok command button to send to the printer.

## **Proof of Mailing Form**

**P**rior to 2006, COBRA required employers be able to prove a notice was sent but it was not required to prove it was received by the qualified beneficiary. There have been numerous lawsuits where a former employee stated they never received their qualifying event letter but since the employer could demonstrate that the letter was produced with a system in place, the courts viewed it as meeting the spirit of the law.

A 2006 court case found an employer in noncompliance because an Administrator stated she “did not remember placing the qualifier’s letter in the mail.” When you produce hundreds on notifications in a year, how would the average person remember year’s later if/when they placed a letter in the mail. Because of this scenario, the Proof of Mailing form has been created. It is designed to document that the letter was produced, detail the date it was mailed, the amount of postage placed on the notice and the Administrator initials that it was placed in the mail receptacle.

If your organization places COBRA notices directly in the mail, it is recommended the Proof a Mailing form be complete and saved for future proof. The Administrator should print the form, enter the postage amount that was placed on the notification and then initial in the appropriate place on the form.

## **THE BILLING MENU**

**C**ollecting and tracking COBRA premiums is usually the most difficult task in administrating COBRA. Participants are late, don't send the correct amount or pay far in advance. The COBRA Administration Manager simplifies the premium collection and monitoring process.

The program offers the ability to print individual invoices detailing the Participant's premiums, due dates and standard COBRA information or send a coupon payment book (much like a home mortgage payment book) and make the Participant responsible for sending in their payments in a timely fashion.

Some companies do not want to provide either invoices or coupon books and with the COBRA Administration Manager, you do not have to. Providing a invoicing document can make collections easier, Participant's are more likely to send the correct amount and eliminate you having to notify them of any over/under balances.

The program will track and record all payments throughout the Participant's COBRA time frame. You have the ability to review the person's account and track if payments were not entered. You can make adjustments to a Participant's bill to make up for any missed premiums.

Lastly, if you have more than one Company\Sub group, you may print invoices for all Participants in all company/sub groups with the click of a button.

### **Prepare Coupons**

**M**any organizations have found it more cost effective and less time-consuming to send monthly coupons (versus monthly invoices) to COBRA Participants. The COBRA Administration Manager will prepare monthly coupons to be submitted to the organization (either company or TPA).

The software may only produce coupons for which it has insurance plan rates. So, when determining how many months of coupons to prepare, the software will base the last monthly coupon on the earliest of:

1. The Participant's earliest renewing plan date (i.e. if the medical plan renews 10/01/2008 and the dental renews 07/01/2008, the software will produce coupons through June 2008); or
2. The Participant's last month of eligibility under COBRA.

For example, if your medical plan renews January 1, coupons will only be produced through December. At that time, you will need to produce new coupons and send to the COBRA Participant. (If you begin with sending coupons and decide to stop, you must inform the Participant of this change because they will be expecting a new payment book.)

Coupons utilize a template that may be found as a document in the word processor. You have the ability to edit the layout of the coupons but it is important the line spacing not be changed. The program is designed to print out three coupons to a page so that they may be cut and placed into a booklet arrangement. If you add or delete lines in the template, the coupons will not print out correctly.



To produce coupons, click the BILLING Menu/Prepare Coupons option. Next, select the person's name from the drop down box. You have the capability to produce more than one set at a time. The word processor will be loaded on-screen and the coupons prepared. Print them and send as is or cut along the dotted lines (separating the monthly payments) and distribute.

## Create Invoice(s)

The COBRA Law does not require invoices be sent to COBRA Participants but it eliminates many accounting issues as explained above. If you have been sending invoices in the past, you will want to continue because you have set precedence. If no invoices have been sent, you can decide whether it would help with collections and eliminate over/under payment amounts.

To create one or more invoices, click the BILLING Menu followed by "Create Invoice(s)." A form will be displayed offering you invoice options. You must inform the system of who will be receiving the invoice, month of coverage, due date and whether you want the system to pause after each invoice or send them directly to the print spool.

First, click the down arrow on the top drop down box. You will be shown a list of all eligible COBRA Participants and other options for producing multiple invoices at one time. Select the Participant's name or one of the multiple printing entries.

Second, click the down arrow on the lower drop down box. You will be offered a list of months that you may send invoices for. Position your mouse pointer over the desired month and click.

Understanding the Month of Invoice is essential when you have Date of Termination as your termination regulation and you have selected the invoice option of monthly intervals (as apposed to prorating the first and last month). For example, if an employee is terminated on May 8th, their billing month would be May and their coverage period would be from May 9th to June 8th. They would be giving an initial forty-five (45) day grace period for payment, followed by a thirty (30) day grace period for subsequent months. Keep in mind, regardless of how many days are utilized in the month, the month still represents the month of coverage. (i.e. An employee terminated on 05/30/2008; their first bill will be for the month of May even though their coverage begins on May 31st. So when you review a Participant's Account, the person will be billed a full premium in the month of May regardless of how many days they are enrolled in COBRA).

Billing intervals can differ depending on your plan's termination regulations. Plans with End of Month termination regs will have a monthly cycle. Date of Termination regs are slightly more complicated.

It is customary to send invoices a minimum of fifteen (15) days prior to the due date. It is recommended that you print and send invoices by the 15th of the month prior to the month of coverage. For example, April's Invoices should be sent by March 15th.

The invoices are designed to be folded and stuffed into a #10 window envelope. Fold the invoices, place them in the envelope making sure the Participant's name is showing through the window and send.

## Received Premium Payment

As you receive premium payment checks, you enter them into the program so it may track payment history. Checks are entered in the month that they are received. For example, if a Participant is submitting a check for May and it is received in April, it will be posted in April. Regardless of when it is posted, the balance will still show that the Participant is paid up through May.

The form will show the Participant's Current Balance and asks you to enter the amount that you received. When entering a payment amount, do not enter the dollar sign (“\$”).

The COBRA law states that payments must be postmarked by the end of the grace period (either the 30 or initial 45 days). Type the postmark date in the format of “month/day/year.” The system has an automatic date entry option (in the lower left-hand corner of the form). If selected, it will place today's date in the postmark Date field. If a payment is late, you will want to enter the postmark date on the envelope in this field.

Lastly, enter the check number for future audits that may arise. Upon completion of the check number, click the Ok command button and the information will be stored in the Participant's account. You can review a person's account at anytime (which is explained later in this section), making corrections if an entry was made incorrectly.

If under Invoicing Options you elected to have the system notify you upon receiving incorrect (an amount other than what is owed) payments, the program will inform you that you need to apply the premiums to the appropriate insurance plans. A form will appear and you should click the checkbox next to the first plan to apply premiums. You will notice the premium rate is shown below for the person to help you determine the amount to enter. You may carry forward a balance where funds may be used from the next check to make up the difference owed for a particular plan. Continue selecting plans and apply appropriate funds.

If you apply all the funds, it will be assumed that the amount has been accepted in full and no further payments will be applied towards this month's premiums. That is why you should only apply the complete amount/premium for a coverage type and carry the amount forward to the next month.

## Review a Payment

The program allows you to review submitted premium payments and change them when mistakes are made. (You also have the ability to change payment information directly in the Participant's Account Review.) The major reason to utilize this function is to review the payment breakdown. The system will constantly be updating these files so that you should not have to make manual changes.

To Review a Payment, select the option from the BILLING Menu. From the drop down box, select the Participant's name and then the payment from the lower drop down box.

Once the payment is displayed, make the necessary changes or click the Breakdown button to review how the payment was applied. Remember, if you make changes to payments other than the most recent one, it will affect the later payment breakdowns.

## Adjustments to Invoices

If for some reason you need to adjust a Participant's bill, you can easily enter the adjustment through the "Adjustments to Invoice" option. You may never have a need for this option but we made it available in those rare occasions when it may be necessary to adjust an invoice.

Enter the amount of the adjustment in the upper textbox. It is not necessary to enter the plus sign ("+") if the entry is positive but you must enter a negative sign ("-") if the number is less than zero.

Next, enter the month where you want the adjustment to take place. Click the down arrow on the drop down box to view the list of months. You will notice that the list only has future bills. The reason - it makes no sense to adjust a bill a person has already received. Once you made the month selection, click the Ok command button to store the adjustment. Click the Cancel command to exit the form without saving the adjustment.

## Review Participant's Account

Reviewing a Participant's Account gives you a payment history throughout the Participant's COBRA term. Not only can you review the person's account but you may enter changes such as monthly premiums, adjustments and paid premiums. The initial screen will show the most recent six month's. If you have sent invoices for the following month, it will show as the most recent month in the review.

When reviewing a Participant's account, do NOT get caught up in what column the payment appears. It has NO bearing on what month the payment is applied. Payments are applied when received and the Participant may carry a negative balance to the next month. The user should be more concerned with the "Paid Through" date listed in many of the reports and the Participant's file.

To review a Participant's Account, click the BILLING Menu followed by the "Review Participant's Account" option. The Participant's current balance will show in the Balance field under the most recent month. You have the ability to review previous payment history by clicking the "Reverse" command button. Return by clicking the "Forward" command button.

The program was not designed to enter a COBRA Participant's prior payments. We recommend that you just begin tracking entered payments from the time the software is installed.

You have the ability to make corrections or adjustments in this form by positioning your mouse pointer over the Premiums, Other Costs, Payment, Date Received or Check # fields. You may notice that you cannot position the cursor in the Carry Forward, Total Due or Balance fields because these are just calculated amounts based upon the amounts in the other fields. There are two (2) Payment, Date Received and Check Number fields because a person may send you two checks in one month. **If more than two checks are received in a month, the program will add them to the Payment 2 field and add the check number if space exists.**

The Premiums Field is the total premium of all enrolled plans plus any administration fee. These numbers are calculated from the entries in the Participant's file such as the plan(s) enrolled, tier structure (Single Family, etc.), if the Participant is Disabled and in their eleven (11) month extension period. It pulls the amounts from the figures in the Insurance Plan Entry section. If a premium amount is incorrect, you must review these two screens to make sure the information has been entered correctly. (Don't forget, the program automatically adds the administration fee established on the Company Information form.) You may want to Open the Participant's file and review the Premiums tab to get an idea as to how the premiums were calculated.

Payment History

**Anthony Gonzales's Account Review**

Description	Mar. '05	Feb. '05	Jan. '05	Dec. '04	Nov. '04	Oct. '04
Premium	\$100.61	\$100.61	\$100.61	\$272.74	\$272.74	\$272.74
Copy Fee	0.00	-100.61	0.00	-272.74	0.00	-272.74
Adjustments	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Due</b>	<b>\$100.61</b>	<b>\$0.00</b>	<b>-\$100.61</b>	<b>\$0.00</b>	<b>-\$272.74</b>	<b>\$0.00</b>
Payment #1	0.00	0.00	100.61	0.00	272.74	0.00
Date Rec.			01/05/2005		11/05/2004	
Check #			149		101	
Payment #2	0.00	0.00	100.61	0.00	272.74	0.00
Date Rec.			01/28/2005		11/25/2004	
Check #			152		116	
<b>BALANCE</b>	<b>\$100.61</b>	<b>\$0.00</b>	<b>-\$100.61</b>	<b>\$0.00</b>	<b>-\$272.74</b>	<b>\$0.00</b>

Billing Cycle: First to End of Month

If you need to change the Premium field(s), click your mouse into the field and type the corrected amount. All other fields will be changed to reflect the new premium amount. Perform the same procedure for the Other Costs, Payment, Date Received and Check Number fields.

Once the Participant's Account looks correct, click the Close command button to exit the form. All changes will be saved to the Participant's file.

## Print Invoices for Multiple Companies

This option may not be showing on your BILLING Menu based upon the version of the product you are operating. It only appears when running the Multi-Company version. Instead of having to change to each working group and print invoices, you may click the "Print Invoices for Multiple Companies" option and be offered an option as to which company/sub group's you want to send invoices to.

For consistency, most employers will produce invoices for all company/sub groups on the same day every month. Others have some sub groups that they do not send invoices to Participants

When you begin the process, a form will be displayed with two list boxes. The top list box provides a list of all accounts that are installed as Company/Sub Groups. The object is to get the names of the accounts that you want invoices printed for in the bottom (Selected Accounts) list box.

You may notice the first option in the upper list box is "Print All Accounts." If you click this option (which highlights it) followed by the Add command button, you will notice that all accounts have located in the Select Accounts textbox.

If you only want to select a few accounts, highlight them by clicking over their name followed by the Add command button. To delete an account from the bottom list box, highlight the name in the upper list box and click the Delete command button.

Once the desired Account names are shown in the Selected Account (Lower) list box, click the Continue command button. You will then need to inform the program of the desired invoice month. When completed, click the Ok command button and printing will begin.

## **Enter Payments for Multiple Groups**

**T**hird Party Administrators have always stated they would like to reduce the time to enter payments for all their groups. Many times, they will receive a check and not know what company the Participant is associated with. Therefore, the user spends time trying to find what group the Participant is in. With this version of the Multi-Company software, the user has the ability to click on this option under the BILLING Menu just once and can enter all checks received that day.

The system will enter the names and associated groups in a separate database. When you select this option, all Participants are added to a drop down list. Just begin typing the Participant's last name and his/her name should show in the drop down box. Press the TAB Key and the system will retrieve the Participant's Current Balance and allow you to enter the check information. Simply click the Next button to enter the next check. Like the standard payment entry screen, you will be notified of unusual check amounts and be asked to apply to appropriate plans.

## **Options**

**T**he Options menu is designed to answer general questions for program operation. The user may elect to have the program use different notifications, how to handle "unusual" payments, the ability to change grace periods and lastly how to show social security numbers in letters and reports.

The Letter Options tab allows the user to select which letters they want the system to use when required to send a General Notice or Qualifying Event Letter. Prior to 2004, both software notices were produced by contracted attorneys to comply with the law and its amendments. With the release of the 2004 DOL final regulations, the DOL supplied sample copies of these notices. Since they have already stated you will be in compliance if you use their letters, we made them our default notifications.

You are not required to use the DOL's notifications. Many employers have had their attorneys review and edit the originally provided documents and wish to continue to use them. The system needs you to designate which letters you want to use as the default (or the document loaded in the word processor upon clicking in the Things-to-do box).

Another option you have is to produce a separate letter for an enrolled spouse. Prior to the 2004 final regulations, we recommended users send a copy of notifications to both the employee and spouse. The final regulations stated one notice is sufficient provided it is sent to the same address. If the spouse resides at a different address, you will want to send a separate notice.

Many employers have called and wanted to continue to send notifications to the covered spouse. We have made this an option in the software. If you want to have the system produce a separate notification for a covered spouse, click on the checkbox on the left.

Invoicing Options lets the system know how closely you need to monitor COBRA payments. When a COBRA payment is received, it needs to be broken down into the amounts for each plan the individual is enrolled in. If the Participant sends in an exact amount the system can determine the amount automatically and the Reimbursement Reports will print out with correct amounts.

Many times, the Participant will not pay the correct amount and the system cannot determine how to distribute between the insurance plans. The software will ask the user to manually distribute the premiums between the carriers. If this is not a problem for your organization, select the top option button and the system will automatically breakdown the payments.

In situations where your organization receives pro-rated premiums or Participants do not pay the correct amounts, the system allows you to manually breakdown the amounts between the carriers. When you make this breakdown, the Reimbursement Reports will illustrate the correct amounts to be reimbursed.

It is recommended that you do not go back and forth between these options because values are maintained and if not regularly updated they may cause undesired results. If you decide to change to the option that allows you to manually breakdown the payment, it is recommended that you change the system on the first day of a reimbursement interval/period.

The other invoicing options allow an organization to either prorate premiums or have each Participant operate on one-month intervals. **If you have Date of Termination as your insurance plan's termination regulation, you are provided the option of:**

1. Billing the Participant on a monthly basis but with a coverage cycle that is based upon their termination date. For example, if an employee was termination on 11/20/2005 and this option is selected, the coverage period would be the 21st of a month to the 20th of the following month; or
2. Prorating the first and last bill based upon the days of coverage needed for the associated month. If an employee was terminated on 11/20/2005, they would be billed 10/30ths of November's premiums and 20/30ths of the last month's invoice. All other invoices would be produced on a monthly cycle.

You must make this determination upon installation or monthly premiums may be calculated incorrectly. Once an election has been made, it is recommended that you do not change it.

Grace Periods for insignificant amounts allows the user to determine the grace period that an individual receives when their payment is short by an insignificant amount. An “insignificant amount” has been defined by law as 10%. The law mentions that they do not want Participants terminated for transposing numbers, rendering a short payment.

## **THE REPORTS MENU**

**O**ne of the key aspects of administering COBRA is to document everything! The REPORTS Menu provides the ability to maintain a hard copy of every “qualifying event” experienced, every Qualifier that elected COBRA, every premium payment that a Participant made and validate every COBRA termination.

It is recommended that you print your selected monthly reports at the end of every month and store in a COBRA notebook. COBRA related lawsuits have been rapidly increasing and the difference in proper record keeping and poor record keeping may mean whether a lawsuit is won or lost.

The number of reports that you have access to is based upon the version of the program you purchased. We recommend that you review all the reports after you have entered your Active Employees, COBRA Qualifiers and Participants so that you have an understanding of the information you have available.

There are numerous reports available including reports that detail:

- 1) Active Employee Data
- 2) Insurance Enrollment
- 3) COBRA-Related Issues
- 4) Premium Reimbursement
- 5) Retiree Data
- 6) Combined Group Information (with the Multi-Company Version)

Please review the reports and determine the reports that fit your need. Most reports can provide information in a monthly time period. If you wish you may select the “User Defined Time Frame” when asked and enter your desired time frame for the report. The reports will be loaded in the program’s word processor and you have the same capabilities as illustrated under the NOTIFICATIONS Menu section.

### **Print Monthly Reports for All Accounts**

The “Print Monthly Reports for All” option may not show in your REPORTS Menu. This is because you are administering COBRA for one organization. If you have Multi-Company

Version, you are offered the ability to select the reports you wish to print and the company/sub groups to receive the reports. At this time, not all reports will be shown so you may have to go in and individually print the other desired reports.

To print multiple monthly reports for select company/sub groups, click its option in the REPORTS Menu. The Account Selection Form will appear waiting for you to select the accounts to receive the reports.

Select the groups for which you want to produce reports from the first shown form. Click the Next button to select the desired reports. The reports have been divided into six groups and found on the associated tabs. You will first need to select the time frame for the reports; either a specific month or a time frame you designate.

Once the time frame has been determined, select desired reports by clicking on the associated checkboxes. You may change the time frame for any of the reports by:

- 1) Select the report and have it highlighted;
- 2) Right click your mouse; and
- 3) Enter the new Start and End Dates

The reports can sent to the printer or you may create a PDF file of all the reports for each group. Third Party Administrators will be able to create PDFs and then e-mail client reports. This will eliminate the mailing time and the cost associated with the mail.

## **Show Things-to-do List**

The Things-to-do List is the form which shows up when there are COBRA matters needing your attention. When the form is displayed, you may double click the item in the list box and the program will assist with completing the item. Common occurrences are after you enter a Qualifier, you need to print a Qualifying Event Letter.

The Things-to-do List is not always displayed in the Main Menu. Routinely, you may want to check to see if any of your administration has triggered items in the Things-to-do List. To retrieve the Things-to-do List, click the REPORTS Menu followed by the Things-to-do List option. The form will then be shown, with or without further administration items.

If you feel there are issues that should be showing in the list but you are not seeing them, you may click on the Calculator in the upper right-hand corner of the screen. It will re-calculate the Things-to-do and your issues should be showing.

**Section**  
**10**

## **The GRAPHS Menu**

The GRAPHS Menu provides a graphic view of important time frames, billing information, plan selection, premium breakdown, acceptance, termination reason and others.

### **Nine Graphs Detailing COBRA**

Use these graphs to visualize areas whereby your firm may make changes (i.e. to plan design) so that COBRA does not sink its teeth into your organization's profits.

## The HELP Menu

### HELP

The program provides on-screen Help by selecting this option. Help may also be obtained by pressing the F1 Key on the form help is needed. You may read the help information and print it if necessary. This manual is the basis of the Help menu and virtually everything you read in this manual may be found in the Help function.

### Internet Settings

The COBRA Administration Manager interacts with the Internet to provide updates, COBRA information and the ability to upgrade your system at the click of a button. COBRA Solutions has ongoing costs associated with providing these services and therefore an annual maintenance fee is charged.

To have access to the Internet features of the program, you will need to enter the USER NAME and PASSWORD (provided when the software was purchased). If you are installing to a new computer and have lost the information, you may obtain it from the old computer under the “Internet Settings” option.

Please enter the USER NAME and PASSWORD that may be found on the CD jacket or which was e-mailed to you after you purchased the program. If your USERNAME and PASSWORD do not work correctly, please check to see that you have paid your annual maintenance fee and that your Internet provider’s service is currently operating.

Next, you will need to indicate whether you have a Dial-up or Direct Internet connection. A Dial-up service requires the system to call a phone number to get a “tone” prior to you having access to the Internet. An example of a Dial-up connection would be American Online. Please contact your System Administrator if you are unsure of the connection.

## **On-line Technical Support**

If you cannot find the answers to your questions regarding the program's operation, you may visit our Internet Knowledge Base. It houses information on questions that our customers have sent. This database is updated constantly and may have the answers you are looking for.

You may submit a question to the Knowledge Base by clicking the "Contact Us" button on the left side of the screen. Enter your question and our staff will provide you with an answer, usually within 48 hours.

## **Recent Developments in COBRA**

Even though the final regulations were released on COBRA, court cases may alter the way COBRA should be administered. The "Recent Developments In COBRA" feature will offer quarterly articles on changes or interesting rulings with COBRA. This feature is only available to users enrolled in the annual maintenance program.

Provided you have an Annual Maintenance Agreement and your e-mail address is on file, you will be sent a quarterly e-mail newsletter called "COBRAinReview." These articles are designed to keep the user up-to-date on COBRA issues and changes to the software.

## **Department of Labor and Internal Revenue Service**

Both the Department of Labor (DOL) and Internal Revenue Service (IRS) will offer rulings and changes to COBRA. We have provided the ability for the user to review many of these documents. They usually are provided in a PDF format so they may be printed. These will change with updates to the software.

## **CSI Logo**

We have developed a company logo that helps describe our product. Some users have told us their fear of snakes and do not like having to view the logo. You may make the logo disappear by clicking on this option under the HELP Menu.

## **Software Registration**

It is vital that you register your product with COBRA Solutions so that we have you in our database. If changes should occur, we may need to contact you and offer upgrades, specials and other products.

Please take the time upon installing the program to register the product. If your company's information has changed (i.e. company name, address, user name, etc.), please send another registration form so we may update our system.

## **About COBRA Administration Manager**

**T**his feature allows the user to see what version of the program is running. If you contact COBRA Solutions for technical support, you will be asked what version of the program you are operating.

In addition, you may click the System Info button and you will be shown the location of the database files. This may be important if you are administering for multiple companies and need to know the main directory housing the data.

## **CUSTOMER SUPPORT**

### **Warranty**

You may return the software within sixty (60) days from the date of purchase and receive a full refund on the price of the software (less S & H charges).

COBRA Solutions will provide sixty (60) days of product support at no charge. Your sixty days will begin with your first call to COBRA Solutions, Inc. Support Calls outside of the sixty (60) day window will be charged at \$25.00 per call. Technical support may be received by calling (480) 831-6078.

### **Annual Maintenance Agreement**

Most clients will have originally purchased and maintained an Annual Maintenance Agreement (AMA). The AMA provides:

- 1) Updates to software and notifications as needed by law;
- 2) Upgrades to the software providing greater capabilities; and
- 3) The monthly e-mail newsletter called "COBRAinReview."
- 4) Telephone technical support at (800) 325-1957.

Users will be billed an annual fee based upon their purchase date. The fee is prepaid and refunds for unused months shall not be provided. If AMA fees are not received in a timely fashion, users will be unable to obtain the above services. Reinstatement of the AMA will include a fee plus the annual cost.

### **Gold Service Agreement**

You may purchase the optional Gold Service Agreement which provides unlimited support for questions regarding COBRA. Most users have had situations where they do not know how to advise a Qualified Beneficiary. The Gold Service Agreement offers a COBRA experts advice and recommendations to the user's situation. The cost of a Gold Service Agreement is \$50 per year for the single company version and \$200 per year for the TPA version. Please call for further details or to order.