



The Lifecycle of a COBRA Participant

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Note: This guide is meant to be a general overview of the lifecycle of qualified beneficiary. OCA is not a law or accounting firm and is not authorized to provide, nor should any information provided by OCA in this communication or any other communication be construed as legal or tax advice. OCA encourages you to consult with a qualified legal or tax advisor before taking any action with respect to your employee benefit plan(s).

Employer Qualifying Event Notice Requirements

The COBRA election process begins with a notice to the plan administrator (OCA) that a qualifying event has occurred. **The employer generally must notify the OCA within 30 days after the triggering event.** OCA strongly recommends that the employer suspend/terminate coverage of all benefits. If/when the qualified beneficiary elects COBRA, the employer will then be responsible for reinstating coverage with the applicable carrier(s).

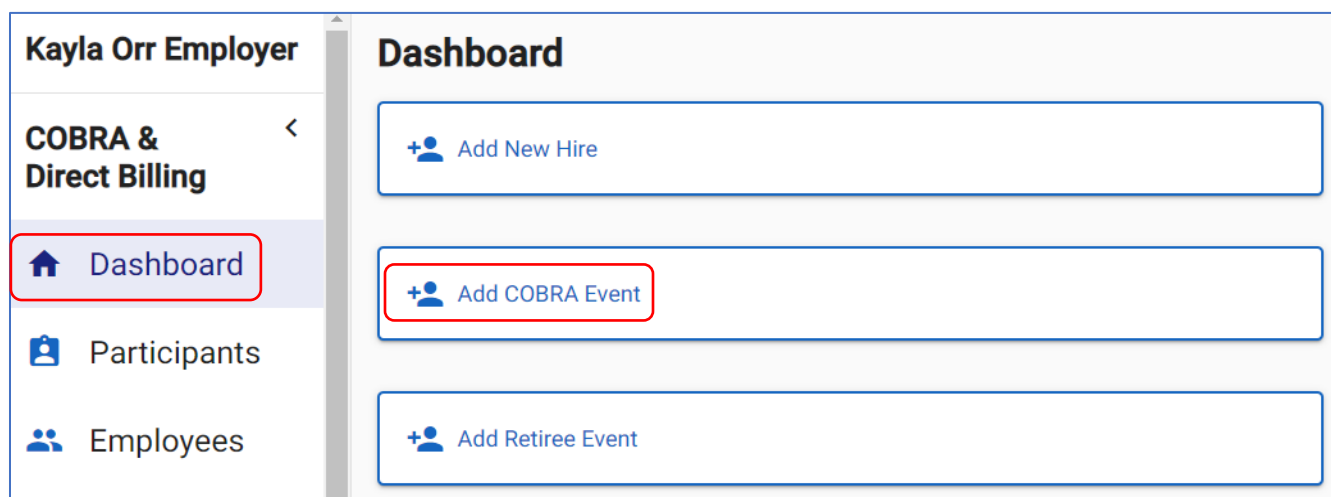
The employer must notify the plan administrator (OCA) when a qualified beneficiary loses or will lose coverage due to-

- termination of a covered employee's employment (other than for gross misconduct);
- a reduction of a covered employee's hours of employment;
- the death of a covered employee;
- a divorce or legal separation from the covered employee;
- ceasing to be a dependent child under the terms of the plan;
- the covered employee's becoming entitled to Medicare;
- and employer bankruptcy (this relates only to retiree plans).

Communicating Qualifying Events to OCA

Option 1

Enter the qualifying event through OCA's COBRA Employer Portal (**recommended for clients with only COBRA services with OCA**). From the Employer Portal Dashboard, click + Add COBRA Event. To watch an instructional video guide on how to complete a qualifying event, please visit oca125.com/cobravideos/.



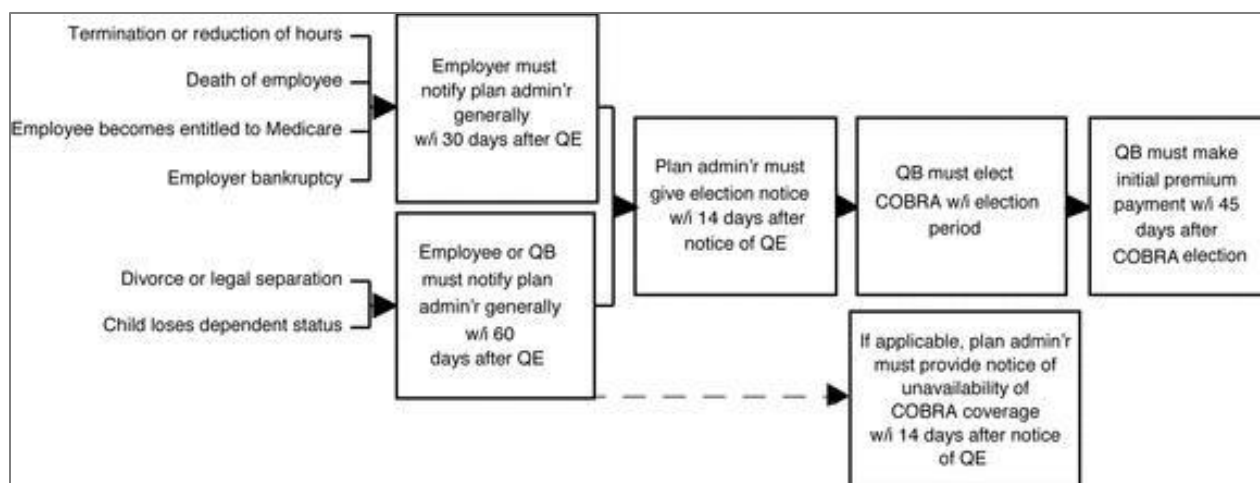
Option 2

Enter the qualifying event using OCA's online qualifying event form (**recommended for clients with both COBRA & Pre-tax (HRA, FSA, HSA, etc.) administrative services with OCA**). To submit a qualifying event using OCA's online form, please visit oca125.com/Qleform.

COBRA Election Timeframe

OCA must notify each qualified beneficiary generally within 14 days after receiving a qualifying event notice. Providing the election notice is the most critical step in COBRA administration. That is because the qualified beneficiary's election period will not end until at least 60 days after the plan administrator (OCA) provides the election notice. If the COBRA election notice is not issued, the qualified beneficiary will have an open-ended right to elect COBRA.

The following diagram illustrates the sequence from the qualifying event to the qualifying event notice to the COBRA election notice:




What happens when the QB(s) elects COBRA?

Step 1. OCA will email the employer contact(s) a confirmation that the QB has elected and paid their initial COBRA premium. The email will come from noreply.oca@wealthcarecobra.com. An example of the enrollment/payment confirmation email will look like the below.

Hello Horizon Enrollment Team:

Please create the following COBRA enrollment(s) for ABC Company.

Please do not reply, this email box is not monitored. To contact OCA, please reply to Enrollment@oca.com or contact us at 866-888-8888.



Employee Information
 Employer: ABC Company
 Group: 9-12613
 Employee: Tim Smart-Dumouchel
 Employee SSN: 867-53-0999
 Employee ID: E12345
 Account: 1-111

Address
 123 Street
 West Bend WI, 12345

Plan	New COBRA Enrollment																																				
<p>Horizon Medical OMNIA</p> <p>Plan Code: A12312 Plan Start Date: May 1, 2021 Smoking Factor: Non-Smoking</p> <p>First Day of COBRA: May 1, 2021 Paid Through Date: June 30, 2021 Last Possible Day of COBRA: October 31, 2022</p>	<p>Covered People Covered People Start Date: May 1, 2021</p> <p>Subscriber(s)</p> <table border="1"> <thead> <tr> <th>Subscriber First Name</th> <th>Subscriber Last Name</th> <th>Subscriber SSN</th> <th>Subscriber Relationship to Employee</th> <th>Subscriber DOB</th> <th>Subscriber Gender</th> </tr> </thead> <tbody> <tr> <td>Tim</td> <td>Smart-Dumouchel</td> <td>867-53-0999</td> <td>Employee</td> <td>April 20, 1987</td> <td>Male</td> </tr> </tbody> </table> <p>Dependent(s)</p> <table border="1"> <thead> <tr> <th>Dependent First Name</th> <th>Dependent Last Name</th> <th>Dependent SSN</th> <th>Dependent Relationship to Subscriber</th> <th>Dependent DOB</th> <th>Dependent Gender</th> </tr> </thead> <tbody> <tr> <td>Amy</td> <td>Smart-Dumouchel</td> <td>123-11-1111</td> <td>Spouse</td> <td>April 22, 1986</td> <td>Female</td> </tr> <tr> <td>Collin</td> <td>Smart-Dumouchel</td> <td>123-11-1112</td> <td>Child</td> <td>February 1, 2016</td> <td>Male</td> </tr> <tr> <td>Ian</td> <td>Smart-Dumouchel</td> <td>123-11-1113</td> <td>Child</td> <td>June 5, 2020</td> <td>Male</td> </tr> </tbody> </table>	Subscriber First Name	Subscriber Last Name	Subscriber SSN	Subscriber Relationship to Employee	Subscriber DOB	Subscriber Gender	Tim	Smart-Dumouchel	867-53-0999	Employee	April 20, 1987	Male	Dependent First Name	Dependent Last Name	Dependent SSN	Dependent Relationship to Subscriber	Dependent DOB	Dependent Gender	Amy	Smart-Dumouchel	123-11-1111	Spouse	April 22, 1986	Female	Collin	Smart-Dumouchel	123-11-1112	Child	February 1, 2016	Male	Ian	Smart-Dumouchel	123-11-1113	Child	June 5, 2020	Male
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Step 2. The Employer is responsible for notifying the applicable carrier(s) and confirming coverage has been reinstated. Clients will have 24/7 access to enrollment reports in OCA's COBRA Portal.

OCA's Premium Collection & Disbursement Process

Collecting Premium

When a qualified beneficiary (QB) enrolls in COBRA, OCA will mail a coupon book/notice that includes the amount due for each coverage period for each qualified beneficiary. COBRA participants will be responsible for paying OCA their monthly premium for each month in which they are enrolled in COBRA. The initial premium is due within 45 days of electing COBRA. All future payments are due on the 1st of each month with a 30-day grace period. Payments can be made by check, money order, or one-time electronic payment by debit or credit card, or reoccurring ACH payments.

Disbursing Premium

OCA will issue premium disbursement twice (2) per month to the employer. Disbursements will be made to the employer via ACH or paper check. OCA charges \$2 per check disbursement. ACH is included at no charge. Employers will have access to payment & disbursement reports through OCA's COBRA employer portal.

Visit oca125.com/cobravideos/ to view our disbursement report video tutorial.

What happens if the COBRA Participant doesn't pay timely?

The COBRA regulations provide a required 30-day grace period for paying or postmarking premium. Coverage will typically be canceled if the full payment is not paid or postmarked within the payment grace period. Payments received after the end of the payment grace period which do not include a postmarked mailing date typically will not be accepted.

Terminating COBRA Coverage Due to Failure to Pay Timely:

Step 1. OCA will send an email communication to the client contacts informing that coverage should be terminated due to the participant stopping premium payments within their allocated grace period or when the “end date” for the participant’s elected plan passed. **Note:** The email communication will come on the 8th day following the end of the grace period (i.e., grace ends on 1/31, OCA will communicate termination email on 2/8). This is to account for postmarked payments mailed on the last day of the grace period. **The email will come from noreply.oca@wealthcarecobra.com.**

Step 2. The client is then responsible for terminating coverage with the specific carrier(s).

Additional Email Notifications Regarding Participants Coverage

Throughout the lifecycle of a COBRA participants, the following types of actions could trigger eligibility communication emails to be sent:

1. Updated enrollments: An already enrolled participant updates their coverage. This could be done from the Consumer Portal or from Employer Portal > Participants > Benefits > Elected Plans > *Add/Drop Enrollee*. (Ex: Kelsey adds her daughter to her plan in the middle of the year).
2. Deleted enrollments: An already enrolled participant deletes their coverage. Note that this is different from terminating. This could be done from the Consumer Portal or from Employer Portal > Participants > Benefits > Elected Plans > click the trash can icon next to the plan enrollment that should be deleted. (Ex: Kelsey enrolls for dental coverage but in the same month, changes her mind and cancels the plan. Her dental enrollment will be deleted. Another example is the administrator entered the wrong plan information for the participant and it is corrected after they are already enrolled. The incorrect enrollment information will need to be deleted.)
3. Reinstated enrollments: A previously terminated participant is enrolled in the same plan. (Ex: A payment for a terminated participant is accepted so their coverage is reinstated.)

4. Edited enrollments: The enrollment for a previously communicated enrollment is changed. Note that this is different from an updated enrollment trigger. For an updated enrollment trigger, a new coverage subscriber is added or removed from a plan. For an edited enrollment trigger, an existing enrollment is corrected to include all subscribers for a plan that should have initially been enrolled. This trigger is rarely used and often due to an error in data entry when entering the enrollment information in the Employer Portal. (Ex: Kelsey's spouse, Trey, should be listed as her dependent. When her participant record is added to the Employer Portal, it does not include Trey. Kelsey enrolls in COBRA coverage and one month later realized Trey should have been included on the plan as her dependent.)
5. Field changes: The participant's demographic information changes (Ex: First Name, Last Name, Date of Birth, Social Security Number, etc.).

All emails will come from noreply.oca@wealthcarecobra.com

Appendix


Sample New COBRA Enrollment Email

The email will come from noreply.oca@wealthcarecobra.com.

Hello Horizon Enrollment Team:

Please create the following COBRA enrollment(s) for ABC Company.

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Sample Termination Email Notice

The email will come from noreply.oca@wealthcarecobra.com.

<p>Hello Horizon Enrollment Team:</p> <p>Please terminate the following COBRA enrollment(s) for ABC Company.</p> <p>Please do not reply, this email box is not monitored. To contact OCA, please reply to Enrollment@oca.com or contact us at 866-888-8888.</p>																																											
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Sample Coupon Book/Notice



2020-09-20

Dear Johnathan Doe and Spouse/Qualified Dependents,

Please note: To access your account at any time, please go to demo.WealthCareCOBRA.com.

- Your Payment Coupons are Enclosed -

This notice includes the amount due for each coverage period for each qualified beneficiary. The periodic payments can be made on a monthly basis. Under the Plan, each of these payments for continuation coverage is due the 1st day of the month for that coverage period. If you make a full payment on or before the first day of the coverage period to which it applies, your coverage under the Plan will continue without interruption.

Due Date	Last Date to Pay	Subsidy	Amount Due	Already Paid	Remaining Amount Due	Running Total
08/01/2021	08/01/2021	123.45	0.00	0.00	0.00	0.00
08/01/2021	08/01/2021	123.45	0.00	0.00	0.00	0.00
08/01/2021	08/01/2021	123.45	0.00	0.00	0.00	0.00
08/01/2021	08/01/2021	123.45	0.00	0.00	0.00	0.00

Plan	Enrolled	Cost
Medical Demo Standard	Subscriber Jonathan Doe Spouse Jane Doe Child Jonathan Doe II Child Jane Doe II	Subscriber + Family \$888.00