



# The Lifecycle of a COBRA Participant

V623

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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 service provider (OCA) that a qualifying event has occurred. **The employer generally must notify 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).

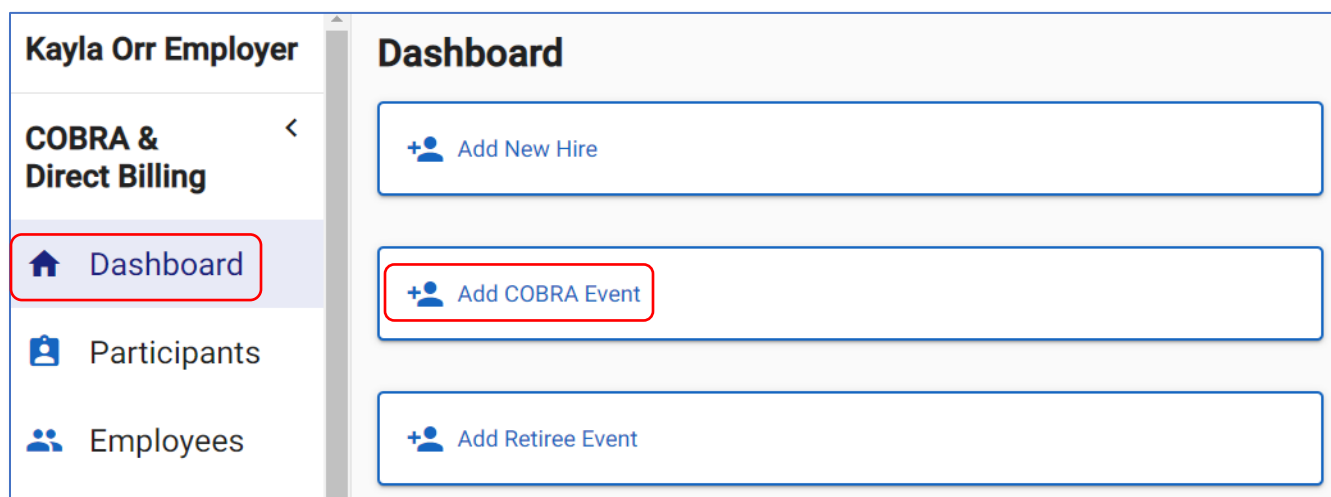
**The employer must notify the plan administrator (OCA) when a qualified beneficiary loses or will lose coverage due to-**

- 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/](https://oca125.com/cobravideos/).



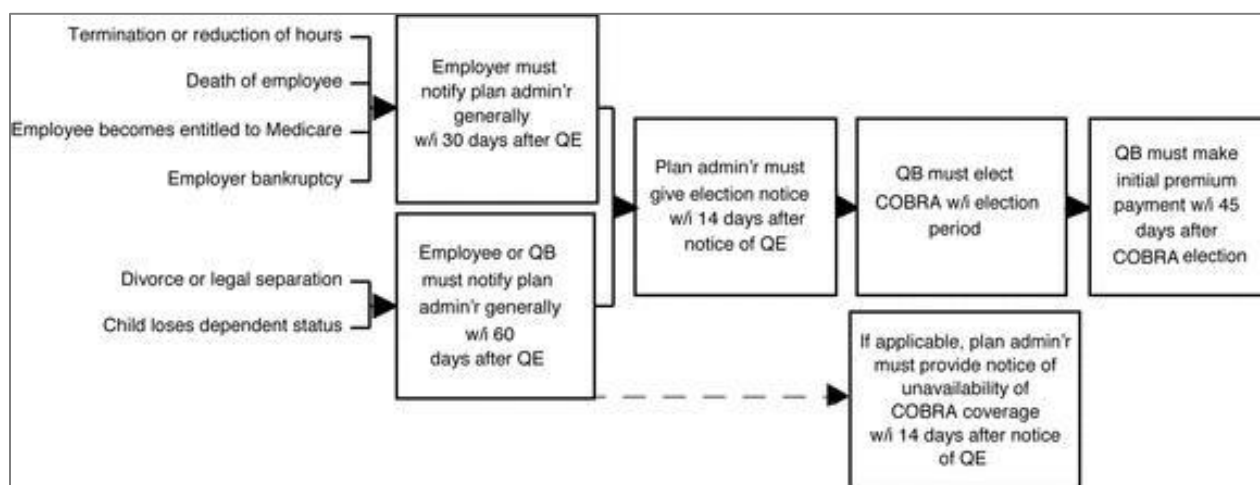
## Option 2

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](https://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 COBRA enrollment notification once the QB has elected and paid their initial COBRA premium. The email will come from [noreply.oca@wealthcarecobra.com](mailto: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](mailto: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																																				
<b>Horizon Medical OMNIA</b> Plan Code: A12312 Plan Start Date: May 1, 2021 Smoking Factor: Non-Smoking First Day of COBRA: May 1, 2021 Paid Through Date: June 30, 2021 Last Possible Day of COBRA: October 31, 2022	<b>Covered People</b> Covered People Start Date: May 1, 2021  <b>Subscriber(s)</b> <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> <b>Dependent(s)</b> <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>Colin</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	Colin	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 contact(s) 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

Upon enrolling in COBRA, qualified beneficiaries (QB) will receive a coupon book from OCA. This coupon book will contain the amount owed for each coverage period. It is the responsibility of COBRA participants to submit their monthly premium payments to OCA for each month they remain enrolled in COBRA.

The initial premium payment must be made within 45 days of electing COBRA. Subsequent payments are due on the 1st of each month, with a grace period of 30 days. Payment options include check, money order, one-time electronic payment via debit or credit card, or recurring ACH payments.

## Disbursing Collected Premium

OCA will issue disbursements typically around the 15<sup>th</sup> of each month for any preceding billing month. Said differently, if OCA issued disbursements on May 15th, the disbursement would only include premium payments that were applied towards a coverage billing due date on or before April 30th. OCA will notify employers via email that a disbursement payment has been issued (via Check of ACH). Employers will have access to payment & disbursement reports through OCA's COBRA employer portal to view the disbursement details. To learn more about the disbursement detail reports, please visit [oca125.com/cobravideos/](https://oca125.com/cobravideos/).

## What happens if the COBRA Participant doesn't pay in a timely manner?

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 8<sup>th</sup> 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](mailto:noreply.oca@wealthcarecobra.com).**

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



## COBRA Open Enrollment

Employers will need to notify OCA if/when their benefit plan(s) and rates are updated and/or new plans are added. This ensures the information provided to newly qualified beneficiaries (QBs) and existing COBRA participants are accurate and timely. In addition, having updated plans and rates allows OCA to help support your open enrollment. Remember, COBRA participants are entitled to the same rights as active employees during open enrollment (OE). Meaning, COBRA participants have the right to change their elected benefits, add or remove dependents, and are given the same benefits/choices that similarly situated active employees have. As part of OCA's COBRA administration services, OCA will mail open enrollment letters to existing COBRA participants informing them of their OE rights, new plan information, etc. The letter is triggered based upon the open enrollment start date provided to OCA on the Rate Renewal Form.

To provide OCA with new or updated plan(s) and rate information, employers are required to complete OCA's Rate Renewal Form. The direct URL is [oca125.com/cobrarenewal](https://oca125.com/cobrarenewal).

# Email Notifications to Contacts Regarding Participants Coverage

All emails will be sent from [noreply.oca@wealthcarecobra.com](mailto:noreply.oca@wealthcarecobra.com). The emails will be sent to the specified contact(s) listed under the contact tab in the employer portal (see screenshot below). Contacts can be general contacts for record-keeping purposes, or the contact can be used to send enrollment communications to Employers, Carriers, Brokers, etc. The emails are sent using TLS 1.2 emails, an encryption protocol that securely protects data transferred over a network. TLS 1.2 is HIPPA compliant and is more secure than the cryptographic protocols such as SSL 2.0, SSL 3.0, TLS 1.0, and TLS 1.1. Essentially, TLS 1.2 keeps data being transferred across the network more securely.

The screenshot displays the 'Contacts' page within the 'COBRA & Direct Billing' section of the OCA employer portal. The page features a sidebar with navigation links: Dashboard, Participants, Employees, Benefits, Reports, Users, and Contacts. The main content area shows a table of contacts with columns for Description, Carriers, Benefit Types, Plan Names, and Email. The contacts listed are:

Contact	Email	Action
Aetna Carrier Contact Aetna Enrollment Department	aetna@enroll.com	<a href="#">View Details</a>
B&B Contact Ross H	ross@oca.com	<a href="#">View Details</a>
Broker Contact Ross Broker	ross@oca.com	<a href="#">View Details</a>
Broker Contact - M&S Office John Doe	johnd@sample.com	<a href="#">View Details</a>
Ross Sample Ross Honig	rhonig@oca125.com	<a href="#">View Details</a>

At the bottom of the table, there is a pagination control showing 'Items per page: 10' and '1 - 5 of 5'.

# Email Notification Types

All emails will be sent from [noreply.oca@wealthcarecobra.com](mailto:noreply.oca@wealthcarecobra.com). The following types of actions could trigger an eligibility communication email to be sent:

**New enrollments:** A new participant elects' coverage and fully pays their initial premium.

**Updated enrollments:** An already enrolled participant updates their coverage. (Ex: Kelsey adds her daughter to her plan during open enrollment).

**Deleted enrollments:** An already enrolled participant deletes their coverage. Note that this is different from terminating. (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 OCA 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.)

**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.)

**Terminated enrollments:** The End Date for a participant's elected plan passed or the participant stops paying their premiums to cause their termination.

**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.

# Appendix

## Sample New COBRA Enrollment Email


The email will come from [noreply.oca@wealthcarecobra.com](mailto:noreply.oca@wealthcarecobra.com).

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## Sample Termination Email Notice


The email will come from [noreply.oca@wealthcarecobra.com](mailto:noreply.oca@wealthcarecobra.com).

Hello Horizon Enrollment Team:

Please terminate 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](mailto:Enrollment@oca.com) or contact us at 866-888-8888.

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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](http://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