COBRA

State Continuation Client Administrative Portfolio
Thank You for Participating in TASC COBRA

As a TASC COBRA Client, you are participating in a program that makes compliance with the complex rules of COBRA and State Continuation easy and efficient. Please take time to familiarize yourself with the materials within this folder; they provide a comprehensive review of your Plan. We look forward to serving you!

What is COBRA
In 1985, Congress enacted continuation of health care coverage requirements, commonly referred to as COBRA. COBRA officially stands for the Consolidated Omnibus Budget Reconciliation Act and was designed to protect certain current and former employees and their dependents when they experience a loss of coverage under a group health plan. In sum, COBRA provides continuation of health coverage that otherwise would have been terminated due to certain qualifying events.

Employers subject to COBRA and State Continuation
All employers with twenty or more employees on fifty percent of their typical business days during the preceding calendar year must comply with COBRA Federal regulations. Employers with 19 employees or less may be subject to State Continuation. State Continuation regulations vary by State.

All common law employees must be counted, regardless of whether or not they have health coverage. Part-time employees must be counted on a prorated basis. Self-employed individuals, independent contractors, and directors are not counted. Employers who are participants in a controlled group must offer COBRA as well.

Benefits subject to COBRA
The following benefits maintained by the employer are subject to COBRA:
- Group Health Plans – A plan maintained by an employer or employee organization to provide health care to individuals (or to their families) who have an employment-related connection to the employer or employee organization.
- Individual Insurance Policies – Are subject to COBRA if they involve the provision of health care to two or more employees.

Benefits Subject to State Continuation
The following health care plans may be subject to State Continuation in your state (not an exhaustive list). Attached is a reference guide to your state specific information:
- Medical plans
- Dental, vision and prescription drug plans
- Drug and alcohol treatment programs
- Employee assistance plans providing medical care, such as trained counseling or psychological treatment
- On-site health care, including discount or fee medical services or medical personnel, providing free, non-occupational treatment
- Some health flexible spending accounts
- Health Reimbursement Arrangement (HRA)
- Life insurance plan (Minnesota only)

Qualified Beneficiaries
For purposes of COBRA and State Continuation, a covered employee is any individual who was or is currently provided coverage under a group health plan that comes under the provisions of COBRA as a result of “the performance of services by the individual for one or more persons maintaining the plan (including as an employee defined in 401©(1) of the Internal Revenue Code).”

The term Qualified Beneficiary (QB) refers to individuals who are covered under the employer’s group health plan the day before a qualifying event takes place. A qualified beneficiary is the covered employee, covered spouse of the employee, covered dependent child of the employee, or any child born to, or placed for adoption with the covered employee during the period of continuation coverage. Each qualified beneficiary has the same rights under the group health plan as a ‘similarly situated active employee.’ It is important to stress that once a qualifying event occurs, an employee’s covered spouse or dependent child, regardless of age, has as many rights under the Plan as an active employee.
Starting up your TASC COBRA Plan
To start your TASC COBRA Plan, please provide the following information to TASC:

- A completed Premium Collection Form (a copy is enclosed).
- A completed Employer Notice of a Takeover Qualifying Event Form if there are any individuals currently on COBRA or State Continuation. The form should be completed thoroughly. We will notify these individuals that we are the new administrator and we will forward to them payment coupons and their submission instructions.

Please take special note in respect to your Plan start date reflected in the cover letter. TASC COBRA administrative services will begin on this date.

Note: TASC does not perform functions that were the responsibility of the employer or previous administrator that were required prior to the Plan start date. Example: TASC will not issue initial notifications where an employer or administrator failed on their delivery.

TASC COBRA Service Sequence
Once the above information is received and processed, we begin management of your Plan. Generally, you or the insurance carrier will distribute the Department of Labor (DOL) COBRA Initial Notification. If the insurance carrier does not send out this notice, TASC can send it out on the your behalf. Employee demographic and Plan start information needs to be entered online at www.tasconline.com. Once this information is entered, TASC will send the DOL COBRA Initial Notice to the employee and any dependents (if applicable).

When an employee or employee's dependent experiences a qualifying event, the employer (or employee in the case of divorce or ineligible dependent status) must notify the Plan Administrator. Timing requirements of notification vary by State. Your State Continuation legislation may require that the employer notify the administrator of the following events. The attached State Reference Guide provides detailed information regarding your State.

- Termination
- Ineligible Dependent
- Reduction of hours
- Medicare Entitlement
- Death of the employee
- Retirement
- Bankruptcy
- Divorce or Legal Separation

If the employer notice to the administrator is received beyond the State timing requirement, the employer assumes any penalties incurred. Note: Once the employee experiences a qualified event which would trigger loss of coverage, the employer should terminate the employee's coverage with the carriers.

To notify TASC COBRA that a Qualifying Event has occurred, you must log into your MyTASC account at www.tasconline.com and enter the Qualifying Event online. Complete instructions and screenshots are located in this manual. As a back up, a State Continuation Qualifying Event Notification Form is available, however, we strongly encourage all Clients to utilize the web tool for faster processing and ease of use. Once the Qualifying Event has been received (either online or via fax), TASC COBRA will send the State Continuation Election Notice to the qualified employee and a separate notice to any dependents. You will not be sent a copy of this notice.

For TASC COBRA reinstatement, continues electing State Continuation are asked to complete the notice and return it to TASC. Time lines for election vary by State. Once an election is made, TASC notifies the employer by fax or email within 48 hours of receipt. The employer should reinstate the employees retroactive to the original loss of coverage date. TASC does not communicate with the insurance carrier regarding enrollments or terminations. Continues will receive coupons at the onset of their election and will be required to submit a monthly coupon with payment to TASC.

Payments are due by the first of the month for that month of coverage. If payment is not received timely, a letter will be sent to the continuee and the employer notifying them that the employee can be terminated from coverage. If allowed by your State, TASC charges continues an additional percentage above the premiums for handling the payments. This fee is maintained by TASC.
Renewal
It is vital that employers notify TASC 60 days prior to any rate increases to ensure timely communication to current continuees. The Premium Collection Form may be used to communicate these changes. TASC will send a letter regarding the rate change to the continuees. For premium rate increases received after 60 days - TASC cannot guarantee that it will be able to collect premium balances.

At the renewal of the Plan, the employer should treat continuees in kind with active employees, ensuring that the continuee receives all necessary enrollment forms and/or premium change notification. This does not hold true if the Continuation has expired.

Reporting
To receive 24/7 access to critical data on your Participants, you can login to your MyTASC account at www.tasconline.com and view a variety of reports. Please visit this site often to track your State Continuation Participants. Upon State Continuation election and termination, you will receive e-mail or fax reporting of these events, however, it is your responsibility as the Client to review the website for needed information other than those two events regarding your PQBs. Reports include the following:

- **PQB Payment History Report** - an Excel downloadable report that gives PQB name, status (pending, active or terminated), individual payment dates and amounts, ARRA percentages, active benefits and paid through dates.
- **Qualifying Event Report** - an Excel downloadable report that gives PQB name, Qualifying Event date and status (pending, active or terminated).
- **PQB Report** - an Excel downloadable report that gives the PQB name, demographic information, status, Continuation end date, ARRA election and active benefits coverage.
- **Individual Participating Qualified Beneficiary Report** - in addition to getting the Excel PQB Report, you are also able to get a PDF report for individual Participants. This report gives all information on the PQB including PQB name, status (pending, active or terminated), dependent information, date the election packet mailed, Continuation end date, ARRA eligibility and election, active benefits and payment history amongst other items.

Premium Disbursements
Premium payments received by TASC from PQBs will be forwarded to you (the Client) one time per month. Disbursement checks are sent on approximately the 15th of the month for premium checks received in the previous month.

Account Management
Mail
Timely communication is a critical component of State Continuation administration. TASC will communicate enrollments and terminations to the employer on a timely basis. Employers must notify TASC within State timing requirement of a qualifying event. If this is not done, TASC maintains the right to refuse the notice and to decline services to that continuee.

A few additional items should be stressed:
- To determine if Notifications and Elections are received or sent within the appropriate time frames, U.S. postmark dates will be used.
- All communication sent from TASC will be sent via first class mail.
- All communications will be sent to the last known address on record. It is vital that employers notify TASC immediately of a change of address or if an alternative address should be used.
- Mail returned due to an unknown address will not be resent.
- TASC will send all communications directly to the continuee. Previous employers will not receive copies.

Accurate Forms
Accurately completed forms are a vital component in the administration of COBRA and State Continuation. Forms not fully or accurately completed will be returned to the employer. Forms will not be processed until all data is received.
Administration Fees
To help TASC COBRA operations run smoothly, various actions need to occur in a timely manner. The same is true with the payment of administrative fees. The invoicing schedule is detailed below:

- Administration fees are remitted annually. Exceptions can be made on a case-by-case basis for monthly or quarterly schedules.
- Based on the number of health care enrolled employees, administration fees are the responsibility of the Client. (Some minimums do apply.)
- Because the service of your TASC COBRA coverage begins before the Plan Start date, TASC invoices 45 days prior to the Plan Start Date. For example, for Plans with a January 1st start date, the first invoice is mailed on November 15th and is due seven days from the invoice date.
- Please make your checks for administrative fees payable to TASC. Checks incorrectly issued can delay the administration of your Plan.

Other Fees
When establishing a TASC COBRA Plan, all groups are assessed a one-time initial enrollment fee of $100.00. Should the Client have multiple locations, each location is assessed a $100.00 enrollment fee. The set-up fee is due with the completed Plan Application.

Along with the set-up fee, TASC COBRA assesses a one-time takeover fee of $30 per takeover qualified beneficiary for assuming State Continuation administration responsibilities for current and notified State Continuation qualified beneficiaries. The PQB fee is due at the same time as the initial enrollment fee. Qualified beneficiaries submitting their insurance premiums for processing to TASC will be assessed a processing fee if allowed by the state. This fee is the responsibility of the qualified beneficiary.

Employer Records Maintenance
Employers should retain any and all records related to State Continuation for a period of seven years.

Liability For Non-Compliance
Although regulations differ by state, substantial penalties and excise taxes can be assessed at $110 per day per violation with limits as high as $500,000 for non-compliance. The COBRA law, although it affects insurance, is an employer law. The employer has certain responsibilities under COBRA and the employer is liable for COBRA failures. Were there to be a failure in COBRA law compliance, several different entities may levy penalties. Those entities include, the IRS, ERISA, claim payments to qualified beneficiaries, court levied damages, and attorney fees.

In addition, the IRS regularly performs audit procedures for COBRA compliance. Therefore, the employer and TASC must maintain a significant and credible paper trail of compliance documentation. Liability between the employer and TASC is “hand-in-hand.” The employer’s liability will reside in areas of COBRA administration under their control and management. TASC liability will rest in the areas of third party administration responsibilities.
Managing Your TASC COBRA Plan Online

General User Information

NOTE: Instructions are based on using Internet Explorer 8 Browser.

1. To access the site log on to www.tasconline.com. (Figure 1)

Managing Your TASC COBRA Plan Online

2. Your Username and Password
   After logging on to www.tasconline.com and clicking on MyTASC LOGIN, you will move to a new page where you can enter your username and password in the fields indicated. To obtain this information please contact the TASC Customer Care Center at 1-800-422-4661. (Figure 2)

3. TASC COBRA Homepage
   Your “homepage” contains all the links needed to manage your TASC COBRA Plan.
   
   Links under the General Heading are specific to your company.
   
   Links under the heading are specific to your COBRA Plan. This manual will concentrate on links pertaining to your specific Plan. (Figure 3)
4. **View Benefit Plans**  
After clicking on the View Plan link, you will be able to view the Benefit Plans offered to your PQBs. Select a sponsor from the drop down menu to view Plans. Click on View Coverage and Rate link to view coverage and rate information at bottom of screen for each Plan. (Figure 4)

Click on Client Manager to get back to the Main Menu.

5. **Primary Qualified Beneficiary (PQB) Entry**  
Click on Enter a Primary Qualifying Event, and a PQB entry screen will appear.

If TASC COBRA sends Department of Labor (DOL) Initial Notices for your new hires, choose the PQB from the drop down list next to Add Participant. All demographic information except date of hire (required for employees only) will auto-populate. Check to make sure the information is current and correct.

If DOL Initial Notices are not sent by TASC COBRA, begin by manually adding all required demographic information (fields marked with red dot) for the PQB. Add the date of hire if the PQB is an employee. Choose a Branch from the drop down list if you have branches for your organization. (Figure 5)

After entering the demographic information, enter the specific qualifying event information in the same screen as above by scrolling down.

Enter the Qualifying Event Date, COBRA Start Date (must be after the Qualifying Event date) and the Qualifying Event Reason (choose reason from the drop down list). If the event is an Involuntary Termination and is eligible for ARRA, check the button indicating such (while ARRA lasts).

For coverage certification purposes, check 18 months of prior coverage or enter the health plan coverage date.

Check any other boxes that are pertinent to this PQB regarding Medicare, Social Security, etc. (Figure 6)
Once the Qualifying Event information has been entered, it is time to enter dependent and plan information.

If there are any dependents on any plans to offer, click on Add Dependent. This will open a section in which you may enter all required dependent information (marked with a red dot). Once required information is added, click Add. (Figure 7)

Dependent will now be listed. Click the Add button in the dependent section to add additional dependents until complete. (Figure 8)

In the next section, add the correct Plans and coverage levels to offer to the PQB. If you are paying any portion of the PQB’s coverage, enter the information in the severance section. You may choose either an amount to pay or a percentage to pay, and must enter an end date for the severance period. (Figure 9)

This severance portion is not related to the ARRA subsidy.

Once Plan information has been chosen, click the Add button to add to the PQB’s record. After clicking Add, the Plan will show in the Elected Benefits section. (Figure 10)

If you are entering a Health Flexible Spending Account (FSA), additional fields will open to allow you to enter the FSA Plan End Date and FSA Monthly Election Amount. These fields are required. (Figure 11)
Continue to add all Plans that should be offered to the PQB and dependents, if applicable. Review Plans offered to verify accuracy. Once you are sure you have entered all Plans correctly, click on Submit to send to TASC. All entries are uploaded to TASC nightly. (Figure 12)

6. Enter a Department of Labor (DOL) Event
After clicking Enter a Department of Labor (DOL) Event, you will come to a DOL Notice entry screen where you may enter your new hires and their dependent information.

Enter all required information as indicated by the red dots. Keep in mind that the information you add here can be used later to enter a PQB event, should one occur. Therefore, the more information you include, the more you will have for future use (e.g., date of birth).

If there is a dependent to add with the employee, click Add Dependent. (Figure 13)

Enter all required dependent information. If the dependent resides at a different address from the employee, be sure to add the correct address for that dependent.

Once the dependent’s information has been added, click Add to save to the DOL record. (Figure 14)

The information for the dependent will be saved at the bottom of the page. You may add more dependents as necessary.

Review all information entered to verify accuracy. After thorough review, click on Save to submit to TASC. (Figure 15)
7. **View Primary Qualifying Beneficiaries (PQBs) & Reports**

After clicking on the View Primary Qualifying Beneficiaries (PQBs) & Reports link, you will be taken to a screen where you will see a list of all of your PQBs. You will see their name, status, Qualifying Event date and the date their election packet was sent. There will also be a Dependents link if there are dependents associated with the PQB. By clicking the dependents link, you will see any dependents listed at the bottom of the page along with their relationship and date of birth.

The available reports that you may run include PQB Payment History Report, Qualifying Event Report and a PQB Report. All three reports may be downloaded to an Excel Spreadsheet.

The PQB Payment History Report includes Client Name, Client TASC ID, Branch, PQB Name, PQB Status, Check Paid Date, Payment Amount, Base Premium, Stimulus Amount (for ARRA), 2 percentage Administration Fee, Benefit, Month of Coverage, Paid Through Date, and Check Void Date, if applicable.

The Qualifying Event Report includes Client Name, Client TASC ID, Branch, Qualified Beneficiary Name, Date of Qualifying Event, and Status.

The PQB Report is a very detailed report of all PQBs and their dependents, and includes addresses, benefits, last four digits of the Social Security number, all eligibility dates, and any severance amounts and severance end dates.

8. **Adding Dependents to the Plan**

After clicking on the View Department of Labor (DOL) Events link you will come to a screen where you may download all DOL events to an Excel Spreadsheet. The Report lists the Company Name, Client TASC ID, Branch, Employee Last Name, First Name, Relationship, Date of Birth, Last four Digits of the Social Security Number, Address, Date Entered and the Coverage Start Date.

Congratulations! You have successfully visited and worked with the MyTASC COBRA website. Come back often to manage your Plan.