



## COBRA Administration

### Scope of Included Services

**A**fter the Implementation process has been completed, the RHS COBRA Administrator handles ongoing COBRA services. The following is a comprehensive overview of COBRA services provided by RHS, as well as the Client's and the Qualified Beneficiary's responsibilities in the process.

- On an ongoing basis and on a schedule mutually agreed to by RHS and the Client, the Client provides information to RHS on all employees and/or family members eligible for COBRA Continuation Coverage. Employer must complete and submit via mail or fax a Qualified Event Form provided by the RHS COBRA Administrator to RHS, showing qualified beneficiary, qualifying event date, and current benefit information.
- RHS enters the Qualified Beneficiary Data Form into the RHS COBRA database.
- RHS creates and mails the COBRA Qualifying Event Notice to the Qualified Beneficiaries home address via U.S.P.S. certification of mailing within 14 days of receipt of the Qualified Beneficiary Data Form from the Client. This notice informs the Qualified Beneficiary of their option to select COBRA coverage, the costs involved, and the last day for electing COBRA coverage. The certificate of creditable coverage will also be included in this packet.
- RHS includes the required Medi-Cal Notice in the Qualifying Event Packet for all Qualified Beneficiaries residing in the State of California.
- The Qualified Beneficiary has 60 days from the date the notice was generated or from the date the coverage was lost, whichever is greater, to respond to this notice and elect COBRA coverage. To elect COBRA continuation coverage, the Qualified Beneficiary must return a signed election form to RHS postmarked within the 60-day window.
- If RHS does not receive a signed election form from the Qualified Beneficiary within the 60 days, this constitutes by default a decision by the Qualified Beneficiary not to elect COBRA coverage and the option to enroll in COBRA is no longer available.
- If the Qualified Beneficiary responds and elects the COBRA coverage within the 60-day window of opportunity, the Qualified Beneficiary has 45 days from the date they signed the election form to make all premium payments necessary to bring their account up-to-date.
- Upon receipt of the election form and premium payment, RHS sends the Qualified Beneficiary a set of payment coupons for the current Plan year via U.S.P.S. first class mail. The coupons indicate the COBRA premium due each month, where the premium must be sent, and the date each payment is due.



- Once the initial premium payment has been received, RHS informs the appropriate carriers via facsimile that the Qualified Beneficiary has elected COBRA, paid the premium and needs to be reinstated in the Plan.
- The Qualified Beneficiary's premium payments are due by the first of the month for the current month's coverage. Each Qualified Beneficiary is given a 30-day grace period in which to have his or her payment postmarked. Any payments forwarded beyond the grace period are returned to the Qualified Beneficiary with a Termination Notice via U.S.P.S. first class mail. Any Qualified Beneficiary that fails to make the appropriate premium payment in a timely manner is terminated from the COBRA Plan.
- Insufficient funds do not constitute payment and may result in termination of the Qualified Beneficiary's COBRA coverage. RHS mails an Insufficient Funds Notice via U.S.P.S. first class mail informing the Qualified Beneficiary that they may be terminated if they fail to provide a new check or money order to RHS within the standard grace period. RHS charges the Qualified Beneficiary a NSF fee for each check that results from insufficient funds. The NSF fee must be included in the Qualified Beneficiary's payment or the Qualified Beneficiary is terminated from the COBRA Plan.
- When RHS receives the monthly COBRA premium payments from the Qualified Beneficiary, the check is processed through the RHS Finance Department, and a check is prepared and mailed directly to the Client for the Qualified Beneficiary's reimbursement of the carrier COBRA premium.
- RHS produces and sends to the Client a monthly billing statement reflecting the COBRA Administrative Services for the month (i.e., per PEPM Fee, COBRA Notification Packets sent, Open Enrollment Packets sent).
- RHS notifies the Client of any COBRA Qualified Beneficiary's termination of coverage.
- RHS mails an End of Eligibility Notice approximately 60 days before the Qualified Beneficiary reaches the end of their COBRA eligibility period informing them that they may, if the carrier allows, have the option to convert to an Individual Plan through their carrier. This notice is sent to their home address via U.S.P.S. first class mail.
- Qualified Beneficiary's with questions and/or issues will contact the RHS COBRA Administrator directly at the number provided in the documents. Qualified Beneficiary's with family status changes that may affect COBRA coverage should contact the Client or the RHS COBRA Administrator.
- RHS will maintain historical files on each COBRA Qualified Beneficiary for a seven-year period.

### **Reinstatement of COBRA Qualified Beneficiary**

This allows the Client to reinstate a COBRA Qualified Beneficiary that has previously been terminated. RHS does not recommend that exceptions be made; however, we understand that the Client may feel it is necessary in certain situations. RHS must receive permission in writing from the Client to process the reinstatement and confirmation from the carrier as well.

### **Enrollment under COBRA**

Once an initial COBRA premium payment has been received, RHS informs the appropriate carriers via facsimile that the Qualified Beneficiary has elected COBRA, paid the premium and needs to be reinstated in the elected plan.



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## California Insurance Code Section 10116.5 Administration (Ins. 10116.5)

Ins. 10116.5 allows California State residents over age 60 the right under certain circumstances to continue the medical portion of their COBRA coverage election until they reach age 65. Clients can elect, for additional fees, administration of this continuation of coverage for the Qualified Beneficiary's who meet the criteria set forth in the General Provision of the Insurance Code.

### Open Enrollment Services

Under COBRA laws, when the Client holds Open Enrollment for its active employees, COBRA Qualified Beneficiary's must be afforded the same choices that active employees have the option to exercise. COBRA Qualified Beneficiary's are also affected by any rate changes in the Client's program. RHS must notify all COBRA Qualified Beneficiary's by 'Special Notification' at least 30 days prior to these changes. All changes are based on the information the Client provides to RHS.

### HIPAA Certificates of Creditable Coverage:

The Certificate is included in the COBRA services listed above at no additional charge.

**Note:** The Certificate of Creditable Coverage is provided at the time of the 'qualifying event' notification and at termination of COBRA continuation of benefit coverage.

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### Below is a list of other COBRA documents provided in the services listed above as necessary and at no (additional charge):

Enrollment Confirmation Notice	Premium Rate Change
Incomplete Enrollment	Eligibility Confirmation
Deficient Payment	Denial of Coverage
Non-Commencement	Coverage Takeover
Late Payment Notice	USERRA Election Notice
Term Notice – Conversion	Medicare Part D Creditable
Open Enrollment Letter	Medicare Part D Non-Creditable
Coupon Cover Letter	State Continuation Notice
Premium Notice Coupons	Termination Confirmation
Reinstatement Pending	Reinstatement – Enrolled
Termination Letter for CA	Enrollment Form Received
Dependent Notification Letter	Returned Check Notice
Coverage Confirmation	Medicare Entitlement Notice
Coverage Confirmation (Spouse)	Social Security Eligibility Notice
Enrollment Confirmation	Disability Rate Notice
Automatic Termination Notice	Leave Termination Notice
Change of Address	ARRA Notifications



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# Contact Redwood Health Services

## Corporate Headquarters

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### Director of Claims

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## Customer Service

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