



## WEST SUBURBAN HEALTH GROUP

### COBRA ADMINISTRATION PROCEDURES through *Group Benefits Strategies*

As West Suburban Health Group's COBRA Plan Administrator, GBS will handle every detail of COBRA, from sending election notices to qualifying beneficiaries to receiving monthly COBRA payments.

The responsibilities of the West Suburban Health Group are few but **extremely important!**

#### ***I. COBRA QUALIFYING EVENTS***

A ***COBRA Qualified Beneficiary*** is any individual covered by a group health plan on the day before a qualify event. A qualified beneficiary may be an employee, the employee's spouse and dependent children, and in certain cases, a retired employee, the retired employee's spouse and dependent children.

##### COBRA qualifying events for *employees* are

- Voluntary or involuntary termination of employment for reasons other than "gross misconduct"
- Reduction in hours of employment making employee ineligible for group coverage

##### COBRA qualifying events for *spouses* are

- Termination of the covered employee's employment for any reason other than "gross misconduct"
- Reduction in hours worked by the covered employee
- Covered employee becoming entitled to Medicare (doesn't apply to most governmental employers)
- Divorce or legal separation of the covered employee
- Death of the covered employee

##### COBRA qualifying events for *dependent children* are

- Termination of the covered employee's employment for any reason other than "gross misconduct"

- Reduction in hours worked by the covered employee
- Loss of “dependent child” status under the plan rules
- Covered employee’s becoming entitled to Medicare (doesn’t apply to most governmental employers)
- Divorce or legal separation of the covered employee
- Death of the covered employee

**NOTE: The employee or spouse must notify the employer (who then notifies GBS) or the Plan Administrator directly within 60 days of events consisting of divorce or legal separation or a child’s ceasing to be covered as a dependent under plan rules.**

**NOTE:** The IRS has ruled that leave taken under the **Family and Medical Leave Act (FMLA)** is not a COBRA Qualifying Event. An employee must be allowed to elect COBRA continuation coverage after the 12 weeks of FMLA leave expires - even if he/she failed to pay health premiums or declined coverage during the leave. Furthermore, the IRS says that the right to COBRA continuation coverage is not conditioned upon the employee’s reimbursement of any premiums the employer paid to maintain the health coverage during the FMLA period!

### ***III. WHEN THERE HAS BEEN A COBRA QUALIFYING EVENT***

- **You must notify GBS within 30 days of a COBRA qualifying event.** We urge you to notify GBS as soon as you know about the qualifying event. GBS has provided you with an Employer Notice Form to be sent to GBS. Please feel free to fax or email this form. (GBS fax number: 1-508-832-0491, email [ggrogan@gsb-consult.com](mailto:ggrogan@gsb-consult.com))
- **You must terminate the qualifying beneficiary(s) from his/her health/dental/vision plan.** If the qualifying beneficiary elects COBRA, GBS will re-enroll the individual.
- **If there is a second qualifying event during the COBRA election period** ex. divorce after termination of employment or qualification for Social Security Disability, **it is the COBRA Qualified Beneficiary’s responsibility to notify the Plan Administrator (GBS).** This may extend the COBRA coverage period.

### ***IV. ONCE GBS HAS BEEN NOTIFIED OF A COBRA QUALIFYING EVENT***

- GBS will send a Notice of Right to Elect COBRA and a COBRA Election Form to the qualifying beneficiary, spouse and dependents, if any. GBS will send this notice by first class mail. The notice will explain to the qualifying beneficiary(s) why COBRA is being offered, the duration of COBRA coverage and cost.
- The qualifying beneficiary will need to fill out the COBRA Election Agreement and send it back to GBS.
- Please note that the qualifying beneficiary has 60 days upon receiving the notice to respond. During that time, the qualifying beneficiary can change his/her mind as many times as he/she wishes until the 60 days are up.

- If a person elects COBRA, GBS will send twelve months' of coupons to be used when mailing in premium payment checks. Additional coupons will be sent once these are used to cover the duration of the COBRA coverage period. The COBRA enrollees will mail their checks to GBS. GBS will record the date that the checks were postmarked and then deposit them into the WSHG COBRA bank account. **The checks will be made payable to “WSHG-GBS COBRA.”**
- If a COBRA beneficiary sends their payment checks to you by mistake, please note the postmark date and give GBS a call telling us when the check was mailed.
- Your monthly WSHG trust fund invoice from GBS will include COBRA beneficiaries from your governmental unit. However, they will be listed with no charge since they are billed separately.

***V. WHEN A COBRA BENEFICIARY TERMINATES FROM COBRA***

- When a person terminates from COBRA, the termination date will be reflected on your monthly invoice from GBS.

***VI. OPEN ENROLLMENT PERIOD***

- GBS will mail new rates and renewal information to all COBRA beneficiaries and handle all changes that occur during the open enrollment period for those individuals on COBRA.

***VII. ADDITIONAL RESPONSIBILITIES OF WSHG GOVERNMENTAL UNITS***

- **Provide GBS with all known address changes** for both employee and spouse, as you are made aware of them.

**Do not override COBRA policies.** Example: There is a 30-day Grace Period for payment of premiums. If the postmark on the envelope containing the premium payment is a date after the 30-day period, the COBRA coverage will be terminated. WSHG's contract with GBS requires that you do not override this policy.