

## ***Brief Description of COBRA Administration for Northwest Employers Trust clients***

**Setup** – Sound Benefit Administration (SBA) will setup the company account after receiving your company and insurance data. We will inform current COBRA participants of our role and send them monthly premium coupons for premium remittance.

**Event Notification** – The employer has 30 days to notify Northwest Employers Trust (NET) of a COBRA qualifying event as set by COBRA law. SBA will then send appropriate notices (see list below) within 14 business days as set by COBRA law. Required notices will be sent by Certificate of Mailing via US Postal Service. The employer is responsible for terminating the active employee's coverage with NET and all other stand alone insurance carriers.

**Enrollment** – When a COBRA election form and premium payment is received by SBA, NET medical coverage will be reinstated by SBA. Stand alone dental and vision coverage enrollment forms will be emailed to the employer signature-ready in order to reinstate coverage. Health Flexible Spending Accounts (FSA) and Health Reimbursement Arrangement (HRA) coverage will also be reinstated by the employer.

**Collections** – SBA will collect premiums and administer premium payment timelines. Appropriate notices will be sent to COBRA participants for premium short notice, rate change notice and termination of COBRA due to non-payment of premium.

When COBRA participants remit premium to SBA, SBA will remit premium to the employer. SBA check runs are on the 1<sup>st</sup>, 10<sup>th</sup> and 25<sup>th</sup> of each month. The employer pays the insurance carrier directly.

**Subsidy Reconciliation** – Each quarter, SBA will email the employer a reconciliation of the ARRA subsidy credit that should be taken on the quarterly IRS Form 941 for each subsidy eligible individual paying only 35% of their COBRA premium.

**Web-based COBRA portal** – SBA has a secure website, [www.soundadmin.com](http://www.soundadmin.com), where employers can log on to see COBRA data for all participants such as qualifying event date, COBRA start date, COBRA end date, payment status and benefit elections. Each employer will pick a unique login ID and password. Employers with stand alone dental, vision, Health FSA and HRA plans will terminate coverage through this web portal.

**Correspondence** – SBA will handle all ongoing correspondence with COBRA participants.

*Examples of appropriate notices include:*

- General Initial Notices
- Qualifying Event Notice to all Qualified Beneficiaries
- HIPAA Certificates
- Multiple Qualifying Event notices
- Personalized open enrollment letter
- Premium Short Notification
- Rate Change Notification
- Notice of right to convert to an individual plan (mailed 6 months before end of COBRA coverage)
- Termination of COBRA notice due to other group coverage
- Termination of COBRA notice due to voluntary termination
- Termination of COBRA notice due to end of eligible coverage period
- Termination of COBRA notice due to non-payment of premium
- Unavailability of COBRA notice due to applicants' ineligibility for COBRA coverage