

# STERLING COBRA

The Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985 requires employers of 20 or more full time equivalent employees to offer their employees the opportunity to continue their group healthcare coverage under the employer's plan, if the coverage would end due to employee termination, layoff, or certain other employment status changes (referred to as "qualifying events"). This includes any event that changes the employee's eligibility for benefits except gross negligence. The continuation of coverage applies to surviving spouses, ex-spouses, and dependents of employees as well.

WE MANAGE AND CONTROL  
PLAN ADMINISTRATION,  
REQUIRED DOCUMENTATION,  
AND ADHERENCE TO  
THE LAW'S ELIGIBILITY  
REQUIREMENTS, WORKING  
WITH THE EMPLOYER.



As a result, proper notices and tedious recordkeeping make COBRA a perfect opportunity for outsourcing to Sterling to provide COBRA administration.

Sterling maintains an integrated COBRA and HIPAA system for employers. We manage and control plan administration, required documentation, and adherence to the law's eligibility requirements, working with the employer.

### **Why Sterling?**

There are many advantages to working with Sterling for COBRA administration:

- As with all of our administration services, Sterling is unique in our delivery of personal touch service and attention to detail. We have experienced industry experts on staff in sales, customer service and operations support to educate, set-up, and administer COBRA for employers.
- We offer a complete package of standard COBRA administration services, as well as many optional services. We take care of the detailed paperwork required for installation, set-up, and ongoing administration to insure legal compliance.
- With COBRA as part of our product portfolio, employers can enjoy the convenience of having one administrator for consumer directed healthcare plans – HSAs, HRAs, FSAs, and POPs – as well as COBRA, if they choose.
- We also take care of the qualifying beneficiaries during COBRA enrollment and ongoing account management for the duration of COBRA coverage to make sure they have a resource to answer questions.

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## **Sterling COBRA Services**

Our standard and optional packages of COBRA administration services are detailed below. We've simplified COBRA administration fees to make it easy for employers to plan and budget. Our fees are based on the employer's choice of services and number of benefits-eligible employees in the company. Services include installation and set-up, qualifying event, ongoing administrative, and open enrollment support services. For fee information, please contact us.

## **Standard Services**

### **COBRA Administration Takeover and Set-Up Services**

- Work with former administrators to migrate qualified beneficiary information to Sterling.
- Mail COBRA information to current qualified beneficiaries, including premium payment coupons.

### **Qualifying Event Services**

- Prepare and mail the election package and enrollment form to each new qualified beneficiary.
- Send separate election packages and enrollment forms to dependents, if necessary.
- Track COBRA election timelines and election payments.
- Issue HIPAA certificates to each qualified beneficiary.
- Provide participants with premium payment coupons upon election of COBRA.

### **Ongoing Administration Services**

- Receive and track all COBRA premiums in accordance with applicable grace periods.
- Notify qualified beneficiaries of partial payments, returned checks and non-sufficient funds.

- Mail Notice of Termination of COBRA continuation coverage to qualified beneficiaries upon voluntary or involuntary termination of COBRA.
- Issue a HIPAA certificate to each qualified beneficiary upon termination of COBRA.
- Provide online account access to qualified beneficiaries, allowing them to check the status of their payments and due dates.
- Forward one check to the plan sponsor on a monthly basis representing all premiums received for the applicable month of coverage. Sterling will also offer electronic transfer in lieu of checks.
- Provide detailed monthly reports of all COBRA activity to the plan sponsor and online account access to view reports at any time.



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## Optional Services

### Carrier Notification Services

- Communicate the Notification of COBRA Election and Termination to carriers on behalf of the plan sponsor.

### Ongoing Carrier Administration Services

- Forward one premium transmittal check per month directly to the carrier on behalf of the plan sponsor.
- Audit and reconcile carrier COBRA statements for the plan sponsor.

### Open Enrollment Services

- Work with the plan sponsor to obtain new plan information, pricing, election periods, enrollment forms, and other information given to active employees.
- Communicate new plan information, pricing, and election periods to qualified beneficiaries.
- Track open enrollment election periods.
- Communicate open enrollment changes to the plan sponsor and/or carrier, if service is selected.
- Initial general rights notification.

## Contact Us:

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