



# The Lifecycle of a COBRA Participant

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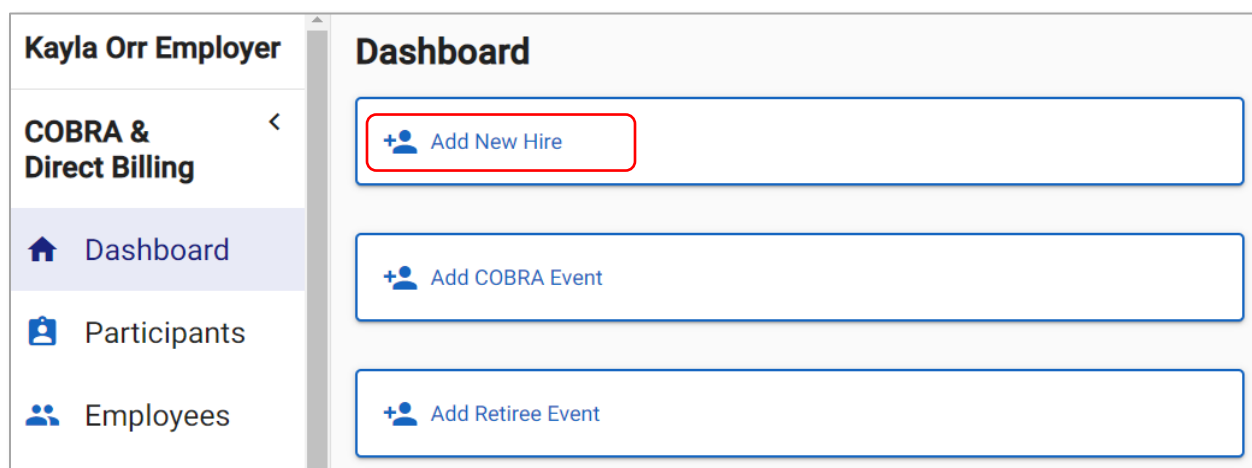
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**Note:** This guide is meant to be a general overview of the lifecycle of a qualified beneficiary. OCA is not a law or accounting firm and is not authorized to provide, nor should any information provided by OCA in this communication or any other communication be construed as legal or tax advice. OCA encourages you to consult with a qualified legal or tax advisor before taking any action with respect to your employee benefit plan(s).

## Issuing General Rights Notice

The General Rights Notice, otherwise, known as the “initial notice” communicates to plan participants their COBRA rights and obligations. The initial notice must be issued by the employer to the covered employee and spouse when plan coverage first begins. The initial notice obligation could arise when, for example - employees or their spouse or dependents who have previously declined coverage enroll at open enrollment; a covered employee gets married and his or her new spouse becomes covered by the plan; or a newly hired employee and his or her spouse become covered by the plan following any eligibility waiting period.

**Client/OCA Action:** The initial notice must be issued to the covered employee (and spouse, if applicable) within 90 days after coverage begins. Clients can add the newly eligible employee directly into OCAs COBRA portal by clicking the + Add New Hire and entering in the employee demographics. OCA will then mail the initial notice to the employee address the following business day. **Note:** The initial notice is addressed to the employee and all applicable qualified beneficiaries (i.e., spouse). As a result, OCA does not need any dependent information when adding the employee record.



[Click here](#) to watch a video tutorial on how to submit an Initial Right Notice request to OCA.

# Employer Qualifying Event Notice Requirements

The COBRA election process begins with a notice to the plan service provider (OCA) that a qualifying event has occurred. **The employer generally must notify OCA within 30 days after the triggering event.** OCA strongly recommends that the employer suspend/terminate coverage of all benefits. If/when the qualified beneficiary elects COBRA, the employer will then be responsible for reinstating coverage with the applicable carrier(s).

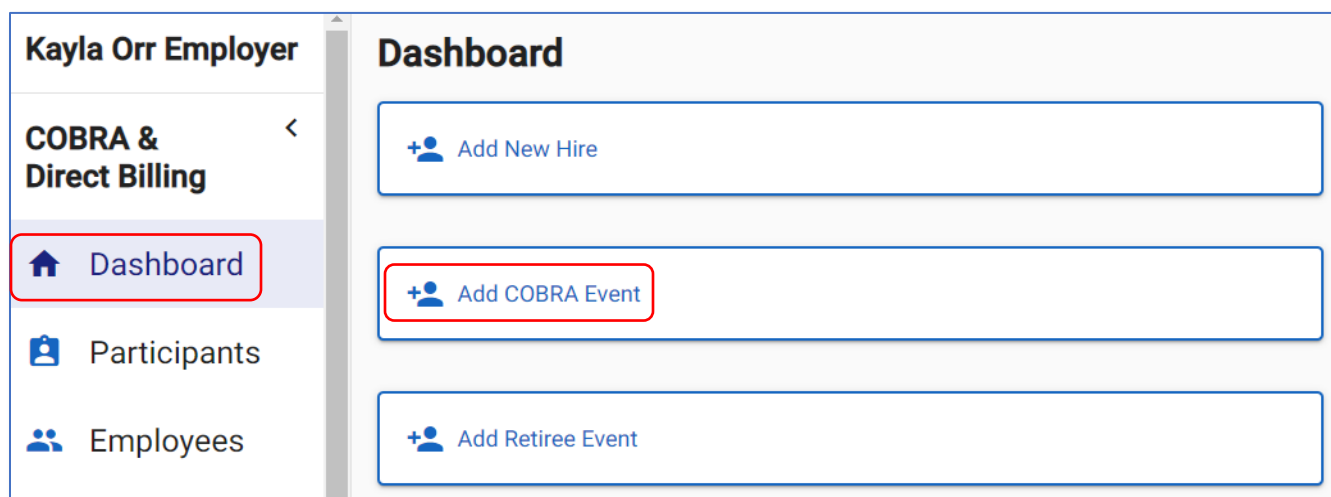
**The employer must notify the plan administrator (OCA) when a qualified beneficiary loses or will lose coverage due to-**

- termination of a covered employee's employment (other than for gross misconduct);
- a reduction of a covered employee's hours of employment;
- the death of a covered employee;
- a divorce or legal separation from the covered employee;
- ceasing to be a dependent child under the terms of the plan;
- the covered employee's becoming entitled to Medicare;
- and employer bankruptcy (this relates only to retiree plans).

# Communicating Qualifying Events to OCA

## Option 1

Enter the qualifying event through OCA's COBRA Employer Portal (**recommended for clients with only COBRA services with OCA**). From the Employer Portal Dashboard, click + Add COBRA Event. To watch an instructional video guide on how to complete a qualifying event, **please visit** [oca125.com/cobravideos/](https://oca125.com/cobravideos/).



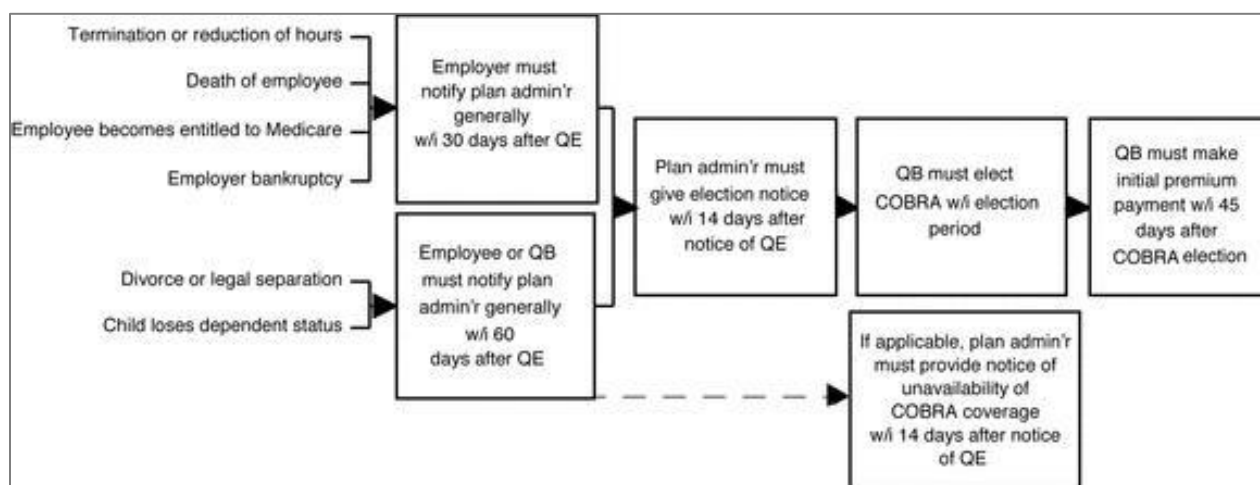
## Option 2

Enter the qualifying event using OCA's online qualifying event form (**recommended for clients with both COBRA & Pre-tax (HRA, FSA, HSA, etc.) administrative services with OCA**). To submit a qualifying event using OCA's online form, please visit [oca125.com/Qleform](https://oca125.com/Qleform).

## COBRA Election Timeframe

OCA must notify each qualified beneficiary generally within 14 days after receiving a qualifying event notice. Providing the election notice is the most critical step in COBRA administration. That is because the qualified beneficiary's election period will not end until at least 60 days after the plan administrator (OCA) provides the election notice. If the COBRA election notice is not issued, the qualified beneficiary will have an open-ended right to elect COBRA.

The following diagram illustrates the sequence from the qualifying event to the qualifying event notice to the COBRA election notice:



# What happens when the QB(s) elects COBRA?


**Step 1.** OCA will email the client contact(s) a COBRA enrollment notification once the QB has elected and paid their initial COBRA premium. The email will come from [noreply.oca@wealthcarecobra.com](mailto:noreply.oca@wealthcarecobra.com). An example of the enrollment/payment confirmation email will look like the below. Please refer to “[Enrollment Communication Options](#)” section.

Hello Horizon Enrollment Team:

Please create the following COBRA enrollment(s) for ABC Company.

Please do not reply, this email box is not monitored. To contact OCA, please reply to [Enrollment@oca.com](mailto:Enrollment@oca.com) or contact us at 866-888-8888.

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**Employee Information**  
 Employer: ABC Company  
 Group: 9-12613  
 Employee: Tim Smart-Dumouchel  
 Employee SSN: 867-53-0999  
 Employee ID: E12345  
 Account: 1-111

**Address**  
 123 Street  
 West Bend WI, 12345

Plan	New COBRA Enrollment																																				
<b>Horizon Medical OMNIA</b> Plan Code: A12312 Plan Start Date: May 1, 2021 Smoking Factor: Non-Smoking First Day of COBRA: May 1, 2021 Paid Through Date: June 30, 2021 Last Possible Day of COBRA: October 31, 2022	<b>Covered People</b> Covered People Start Date: May 1, 2021  <b>Subscriber(s)</b> <table border="1"> <thead> <tr> <th>Subscriber First Name</th> <th>Subscriber Last Name</th> <th>Subscriber SSN</th> <th>Subscriber Relationship to Employee</th> <th>Subscriber DOB</th> <th>Subscriber Gender</th> </tr> </thead> <tbody> <tr> <td>Tim</td> <td>Smart-Dumouchel</td> <td>867-53-0999</td> <td>Employee</td> <td>April 20, 1987</td> <td>Male</td> </tr> </tbody> </table> <b>Dependent(s)</b> <table border="1"> <thead> <tr> <th>Dependent First Name</th> <th>Dependent Last Name</th> <th>Dependent SSN</th> <th>Dependent Relationship to Subscriber</th> <th>Dependent DOB</th> <th>Dependent Gender</th> </tr> </thead> <tbody> <tr> <td>Amy</td> <td>Smart-Dumouchel</td> <td>123-11-1111</td> <td>Spouse</td> <td>April 22, 1986</td> <td>Female</td> </tr> <tr> <td>Colin</td> <td>Smart-Dumouchel</td> <td>123-11-1112</td> <td>Child</td> <td>February 1, 2016</td> <td>Male</td> </tr> <tr> <td>Ian</td> <td>Smart-Dumouchel</td> <td>123-11-1113</td> <td>Child</td> <td>June 5, 2020</td> <td>Male</td> </tr> </tbody> </table>	Subscriber First Name	Subscriber Last Name	Subscriber SSN	Subscriber Relationship to Employee	Subscriber DOB	Subscriber Gender	Tim	Smart-Dumouchel	867-53-0999	Employee	April 20, 1987	Male	Dependent First Name	Dependent Last Name	Dependent SSN	Dependent Relationship to Subscriber	Dependent DOB	Dependent Gender	Amy	Smart-Dumouchel	123-11-1111	Spouse	April 22, 1986	Female	Colin	Smart-Dumouchel	123-11-1112	Child	February 1, 2016	Male	Ian	Smart-Dumouchel	123-11-1113	Child	June 5, 2020	Male
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**Step 2.** The client contact(s) is then responsible for reinstating the COBRA participants' coverage. Clients will have 24/7 access to enrollment reports in OCA's COBRA Portal.

# OCA's Premium Collection & Disbursement Process

## Collecting Premium

Upon enrolling in COBRA, qualified beneficiaries (QB) will receive a coupon book from OCA. This coupon book will contain the amount owed for each coverage period. It is the responsibility of COBRA participants to submit their monthly premium payments to OCA for each month they remain enrolled in COBRA.

The initial premium payment must be made within 45 days of electing COBRA. Subsequent payments are due on the 1st of each month, with a grace period of 30 days. Payment options include check, money order, one-time electronic payment via debit or credit card, or recurring ACH payments.

## Disbursing Collected Premium

OCA will issue disbursements typically around the 15<sup>th</sup> of each month for any preceding billing month. Said differently, if OCA issued disbursements on May 15th, the disbursement would only include premium payments that were applied towards a coverage billing due date on or before April 30th. OCA will notify employers via email that a disbursement payment has been issued (via Check of ACH). Employers will have access to payment & disbursement reports through OCA's COBRA employer portal to view the disbursement details. To learn more about the disbursement detail reports, please visit [oca125.com/cobravideos/](https://oca125.com/cobravideos/).



## What happens if the COBRA Participant doesn't pay in a timely manner?

The COBRA regulations provide a required 30-day grace period for paying or postmarking premium. Coverage will typically be canceled if the full payment is not paid or postmarked within the payment grace period. Payments received after the end of the payment grace period which do not include a postmarked mailing date typically will not be accepted.

### Terminating COBRA Coverage Due to Failure to Pay Timely:

**Step 1.** OCA will send an email communication to the client contacts informing that coverage should be terminated due to the participant stopping premium payments within their allocated grace period or when the “end date” for the participant’s elected plan passed. Note: The email communication will come on the 8<sup>th</sup> day following the end of the grace period (i.e., grace ends on 1/31, OCA will communicate termination email on 2/8). This is to account for postmarked payments mailed on the last day of the grace period. **The email will come from [noreply.oa@wealthcarecobra.com](mailto:noreply.oa@wealthcarecobra.com).** Please refer to “[Enrollment Communication Options](#)” section.

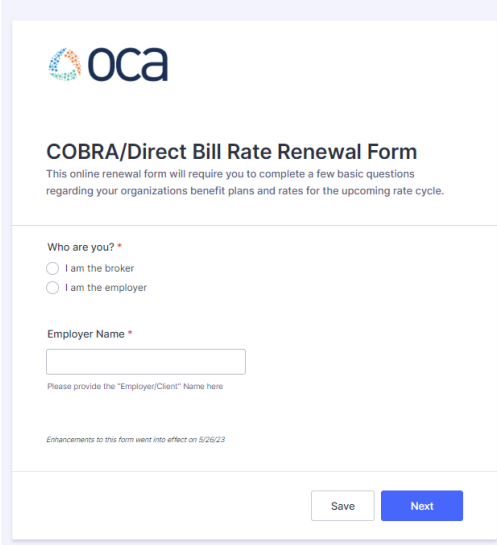
**Step 2.** The client is then responsible for terminating coverage with the specific carrier(s).

# COBRA Open Enrollment

Employers will need to notify OCA if/when their benefit plan(s) and rates are updated and/or new plans are added. This ensures the information provided to newly qualified beneficiaries (QBs) and existing COBRA participants are accurate and timely. In addition, having updated plans and rates allows OCA to help support your open enrollment. Remember, COBRA participants are entitled to the same rights as active employees during open enrollment (OE). Meaning, COBRA participants have the right to change their elected benefits, add or remove dependents, and are given the same benefits/choices that similarly situated active employees have. As part of OCA's COBRA administration services, OCA will mail open enrollment letters to existing COBRA participants informing them of their OE rights, new plan information, etc. The letter is triggered based upon the open enrollment start date provided to OCA on the Rate Renewal Form.

To provide OCA with new or updated plan(s) and rate information, clients are required to complete OCA's Rate Renewal Form.

The direct URL is [oca125.com/cobrarenewal](https://oca125.com/cobrarenewal).

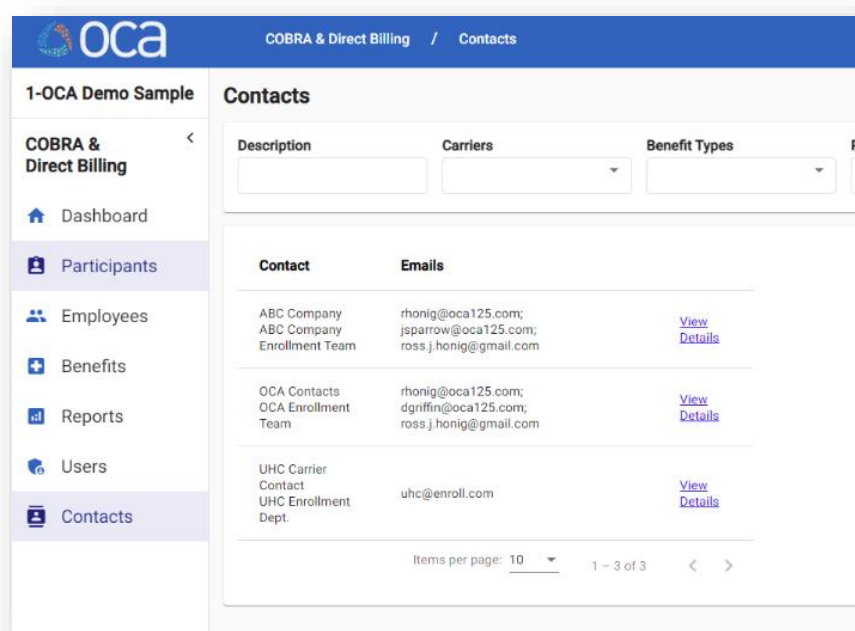


The screenshot shows the OCA logo at the top left. Below it is the title "COBRA/Direct Bill Rate Renewal Form" followed by a subtitle: "This online renewal form will require you to complete a few basic questions regarding your organizations benefit plans and rates for the upcoming rate cycle." The form contains a section titled "Who are you? \*" with two radio button options: "I am the broker" and "I am the employer". Below this is a text input field labeled "Employer Name \*" with a red asterisk. Underneath the field is a small instruction: "Please provide the 'Employer/Client' Name here". At the bottom of the form, there is a small note: "Enhancements to this form went into effect on 5/26/23". At the very bottom right, there are two buttons: "Save" and "Next".

# Client/Carrier Contact(s) Enrollment Communication Options

OCA will send system-generated emails to the specified client contact(s) as a means of communicating a COBRA participants enrollment status. Contacts can include, but are not limited to, **Employers, Carriers, & Brokers**. As part of OCA's COBRA onboarding and renewal paperwork, clients are asked to designate the contact(s) for their organization. Clients can always add/edit/remove contacts throughout the year as well.

Contacts can be configured with multiple emails so that all recipients receive the same email. This allows employers to be copied on emails sent to others within their organization, to brokers and/or carriers and for all contacts to see replies from each other if more than one person is responsible for enrolling a COBRA participant. Assigned contacts can be viewed within the COBRA portal (see screenshot below) under the "Contacts" tab.



## COBRA Email Communication Types

While OCA can certainly communicate COBRA enrollment notifications to employers, brokers, and/or carriers, to be clear, OCA will not provide audit support after the communication is sent (i.e. verifying if the carrier has successfully reinstated the COBRA participant after the new enrollment email was sent or justifying the client's monthly insurance invoice). Likewise, OCA will not log into a client's HRIS/Payroll system or a carrier system to enter data of any kind. Carriers may require employers to enter data directly into their system (rather than accepting an email communication). Clients should check with their carrier and/or broker regarding communicating with a carrier regarding coverage changes and COBRA eligibility/exhaustion.

**OCA will send COBRA enrollment communications to the client contact(s) provided if/when one of the below actions occur:**

**New enrollments:** A new participant elects' coverage and fully pays their initial premium.

**Updated enrollments:** An already enrolled participant updates their coverage. (Ex: Kelsey adds her daughter to her plan during open enrollment).

**Deleted enrollments:** An already enrolled participant deletes their coverage. (Ex: Kelsey enrolls for dental coverage but in the same month, changes her mind and cancels the plan. Her dental enrollment will be deleted.

**Reinstated enrollments:** A previously terminated participant is enrolled in the same plan. (Ex: A payment for a terminated participant is accepted so their coverage is reinstated.)

**Terminated enrollments:** The End Date for a participant's elected plan passed or the participant stops paying their premiums to cause their termination.

**Edited enrollments:** The enrollment for a previously communicated enrollment is changed. For an edited enrollment trigger, an existing enrollment is corrected to include all subscribers for a plan that should have initially been enrolled.

## Email Communication Field Definitions:

The following fields have been added to the carrier communications and will be displayed if they have a value.

- **Hire Date** – Hire or rehire date if it contains a value
- **Retirement Date** – Retirement date of the employee if it contains a value
- **Qualifying Event** – Event if the participant is on COBRA
- **Phone Number & Secondary Phone Number** – Phone numbers for the primary participant
- **Plan Description** – Customizable for carriers needs, meant to have the code the carrier uses for their plan
- **Account & Sub Accounts** – Can tie to employee field values or other employee groupings needed for the carrier
- **Coverage Tier** – By default, this will be the WCC coverage tier, but can be customized for the carrier's needs.
- **Maintenance** – Describes the change to the enrolled person
- **Reason** – Reason for the change
- **Disability Start/End** – Start and end date of disability if they contain values
- **Medicare Start/End** – Start and end date of Medicare if they contain values
- **End Reason** – If a benefit terminates, this will state the reason the plan terminated

The 'maintenance' field indicates changes that have occurred for a participant since the time that the last carrier communication occurred. The maintenance values align with the 834 to adhere to carrier expectations.

Below are the definitions for each possible maintenance value:

- **Addition** - Participant has been added to this plan or there is a new plan.
- **Change** - There has been an update to non-demographic information for the participant, such as 'start date'. This will be accompanied by a 'reason' value to clarify the change, such as 'premium paid'.
- **Reinstatement** - The participant was terminated but is now reenrolled.
- **Delete** - Participant has been removed from a plan, typically for corrections, such as a spouse who was not meant to be on the plan.
- **Termination** - Participant has been terminated from a plan.
- **Correction** - There has been a change to the participant's demographic information. This will be accompanied by a 'reason' value to clarify the correction, such as 'change in identifying data elements'.
- **Audit** - This is caused by the 834 EDI when an 834-audit file is created. Note: This maintenance value will not appear until the 834 is launched into production in 2024.
- **Migration Audit** - The participant has been marked as 'migrated' and this is their first communication.
- **Takeover Audit** - The participant has been marked as 'takeover' and this is their first communication.
- **No Change** - A communication was sent, but no changes occurred for the participant. You may see this value a change has occurred for another participant on the plan since the last communication was sent.

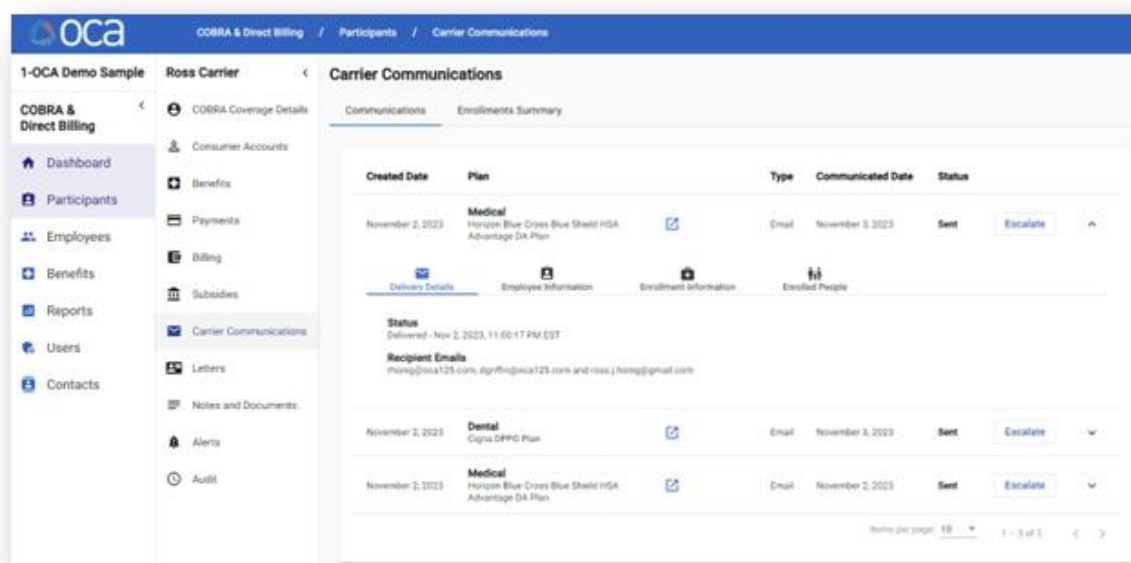
The 'reason' coincides with the maintenance field and provides additional details to explain a change that has occurred for the participant since the last carrier communication occurred. These values are from the 834 and reflect their usage there to match carrier expectations.

- **Initial Enrollment** -The participant is newly enrolled.
- **Change in Identifying Enrollments** - There has been a change to the participant's first name, last name, SSN, gender, or date of birth.
- **Change in Address** - There has been a change to the participant's address.
- **Premium Paid** - A change has been made to the participant's 'paid through date' and has been communicated for carrier communications.
- **Reenrollment** - The participant was terminated but is now reenrolled.
- **Termination of Benefits** - The participant is terminated.
- **Change in Personnel Data** - Once of the following changes has occurred for the participant:

- |                               |                              |
|-------------------------------|------------------------------|
| • COBRA Qualifying Event      | • Smoking Factor             |
| • COBRA Qualifying Event Date | • Primary Phone Number       |
| • Employee First Name         | • Secondary Phone Number     |
| • Employee Last Name          | • Enrolled Plan Start Date   |
| • Employee SSN                | • Enrolled Plan End Date     |
| • Employee Retirement Date    | • Disability End Date        |
| • Employee Hire Date          | • Disability Start Date      |
| • Employee Account            | • Has Disability             |
| • Employee Sub Account 1      | • Is Tobacco User            |
| • Employee Sub Account 2      | • Medicare End Date          |
| • Employee Sub Account 3      | • Medicare Start Date        |
| • COBRA End Date              | • Relationship to Subscriber |
| • COBRA Start Date            |                              |

## View details for carrier communications

You can view the details for enrollment communications, including who received the message, the employee and enrollment information sent, and details for each of the enrolled people. To access, login to WCC and navigate to employer > participants > carrier communications, then click the communications tab.



## Secure Email Communications

OCA's COBRA enrollments email communications are sent using TLS 1.2 emails, an encryption protocol that securely protects data transferred over a network. TLS 1.2 is HIPAA compliant and is more secure than the cryptographic protocols such as SSL 2.0, SSL 3.0, TLS 1.0, and TLS 1.1. Essentially, TLS 1.2 keeps data being transferred across the network more securely.

All emails will be sent from **noreply.oca@wealthcarecobra.com**.

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