



COBRA Participant Guide

OptumHealth Financial Services, Inc. (OHFS) COBRA participant guide

Introduction

If you are eligible for COBRA, use this guide to learn how to access online information about your coverage and payment options, make premium payments, print forms and more. We have also created a glossary in the back of this guide, which explains many of the COBRA coverage terms mentioned in the following pages.

COBRA checklist

Use this list to make sure you've taken all the first steps to electing your continuation coverage.

- Carefully review your election agreement for rights and responsibilities
- Create a member user account on [adminservices.optumhealthfinancial.com](https://www.adminservices.optumhealthfinancial.com)
- Log in to [adminservices.optumhealthfinancial.com](https://www.adminservices.optumhealthfinancial.com) to enroll in your benefits
- Enter beneficiary information (Beneficiary is the person eligible for continuation coverage)
- Enter your dependent information
- Confirm your coverage elections
- Print a copy of your elections

General timing of events

30 days	14 days	60 days
Your previous employer is required to notify the plan administrator (UnitedHealthcare) within 30 days of you or your dependent's qualifying event (loss of coverage).	An election notice is mailed from UnitedHealthcare to you (or your dependent) within 14 days of notification from your previous employer. The notice advises you or your dependent of your rights under COBRA.	You (or your dependent) have 60 days to make your election and return it to UnitedHealthcare. If you initially waive your COBRA continuation coverage, you may still elect to continue coverage within the 60 day election period. If coverage is elected, you (or your dependent) have 45 days from election date to pay for your coverage from date you lost coverage through the current month.

Website features

Once you have registered on <https://www.adminservices.optumhealthfinancial.com>, you can access your account to:

- Enroll in benefits
- Make an online payment
- View letters or forms that may have been mailed to you by OHFS regarding continuation of coverage
- Request account updates, i.e. address changes, etc.
- Send secure e-mail to OHFS regarding your continuation coverage
- Access forms and other resources

Creating an account on <https://www.adminservices.optumhealthfinancial.com>

Our self service tool is available to you 24/7.
To get started you must create a user account.

Follow the below steps to create a user account.

1. **Go to** <https://www.adminservices.optumhealthfinancial.com>
2. Click on “New Member Registration”
3. Select “Member Registration” from drop down box
4. Continue the step by step registration process.

Electing or declining continuation coverage

You may elect continuation coverage on our website, <https://www.adminservices.optumhealthfinancial.com> or by completing the election agreement mailed to you. An election agreement will be mailed within 14 days of your qualifying event.

To elect or decline continuation coverage on the website, simply log in to the website using a username and password you created and follow the below steps.

1. After signing into <https://www.adminservices.optumhealthfinancial.com>, select “Complete your enrollment.”
2. Continue the step-by-step election process.

Important: Print a copy of your elections for your records.

Please note: While electing continuation coverage on the website, if the coverages are incorrect or there is other incorrect information which is protected and cannot be edited, use the Request Edit option on <https://www.adminservices.optumhealthfinancial.com> to request the changes.

Please note:

- Until premiums have been paid in full, you will not have coverage for your plan(s).
- In order to maintain eligibility under the group benefit plan(s), your payment must be received and postmarked no later than the coverage end date noted on each invoice.

Failure to send payment prior to the coverage end date may result in a loss of coverage without the possibility of reinstatement.

Important timeframes

You have 60 days from the date printed on the election agreement to elect COBRA continuation coverage.

Your election agreement will be processed in approximately 3 business days of receipt.

Reviewing your benefit election

After you have elected continuation coverage, you can view your coverage information by following the steps below:

1. After signing into <https://www.adminservices.optumhealthfinancial.com>, select “Plan Details” from the left navigation menu
2. Scroll down to coverage elections section
3. Review coverage
4. Scroll down to dependents section to review dependent’s coverage options

Updating your account

Most changes made to your continuation coverage are required in writing. However, we have created a tool that allows you to make changes securely online at <https://www.adminservices.optumhealthfinancial.com>.

Some things OHFS needs to be notified of include:

- Address and phone number changes
- Qualifying events such as
- Change in marital status
- Change in number of dependents
- Change in dependent eligibility requirements
- Change in student status
- Medicare or other coverage eligibility
- Disability or second qualifying event

Follow the steps below to change to your account.

1. Select “Request Edit” from the left navigation menu
2. Enter your request in the textbox
3. Submit your request

Your invoice

Invoices are sent each month about two weeks before your payment is due. Not receiving an invoice or receiving an incorrect invoice does not relieve you of the responsibility of making your payments on time.

Premium Payments

Paying your COBRA premiums on time is very important because you will lose your coverage and lose your right to continuation coverage.

- For your first payment, you have 45 days* from the date you elect continuation coverage to send the initial premium payment. If you do not make your first payment within those 45 days, you will lose all continuation rights under the plan.
- Your election agreement will include a remittance slip or, once your enrollment has been updated online, you can make your payment online.
- After your first payment, your premiums are due monthly by the due date. To ensure there is no disruption in your coverage, make sure your monthly payment is mailed or made online enough in advance to allow us time to process your payment and also time to notify the carrier that your payment has been received.
- Mailed payments must be made out to OHFS and must be for the full amount due. Failure to make check out to correct payee name or pay full amount will cause you to lose your coverage and forfeit your right to continuation coverage.
- Invoices are sent each month as a courtesy. Not receiving an invoice or receiving an incorrect invoice does not relieve you of the responsibility of making your payment timely.
- Until premiums have been paid in full, you will not have coverage for your plan(s).

Premium Payment options

Payments can be made several ways.

- Mail in payment with remittance slip.
- Sign up for Automatic Withdrawal of Premiums.
- Make a payment online.

* Your paid through date will not be updated until your payment is received. The sooner your payment is received the sooner you will be able to use your benefits

Payment Timelines

Your First Premium: Due within 45 days from date of enrollment

Monthly Payments: Payment is due by the Due Date. A 30-day grace period is allowed, but services/claims may be denied during the grace period (see **Grace Period** for more information).

Mailed premium payments: Please allow 2 to 4 business days for mailing time, plus an additional 2 to 4 business days for the payment to post to your account. Once posted and applied to your account, you can view your payment online.

Grace period

- You are given a grace period of 30 days from your Due Date to make each periodic payment.
- Your continuation coverage will continue as long as payment for that coverage period is made before the end of the grace period. However, if you pay a payment later than its due date but during its grace period, your coverage may be suspended as of the due date and then retroactively reinstated back to the due date when the payment is received. You may be denied coverage during this time period as your provider may not see you as having active coverage during this time period. Any claim you submit for benefits while your coverage is suspended may be denied and may have to be resubmitted once your coverage is reinstated.
- If payment is not postmarked or made online by the last day of the grace period, your coverage will be terminated and you forfeit your right to COBRA continuation coverage.

Making an online payment

You can make your monthly premium payment on <https://www.adminservices.optumhealthfinancial.com>. This is not a recurring payment; if you wish, you can log in each month and complete this online form.

1. Select "Online Payments" from left navigation menu
2. Select Total Balance or Other Amount.
3. Fill out the remaining fields then click "Enter" to submit payment
4. You will receive a confirmation number indicating your request has been initiated, please retain for your reference.
5. A confirmation number does not indicate that your payment was successful. To ensure your payment was successfully received by OHFS, please check online in 3 business days to ensure you can see your payment. If payment is not seen online by 4th business day, please call Customer Support.
6. You will receive an e-mail confirmation of payment within 48 hours of making the payment. Payments returned due to insufficient funds or incorrect account numbers does not constitute payment.

Signing up for automatic withdrawal of premium payments

Automatic checking account withdrawal of premiums, sometimes referred to as ACH (Automated Clearing House) or EFT (Electronic Funds Transfer), can help ensure your payments are made on time. Payments are withdrawn automatically from your checking account each month around your due date. If you sign up for automatic withdrawals, you will still receive an invoice as a courtesy. If you just recently sent in your request for EFT and have not had any payments taken from your checking account yet, please check online at [adminservices.optumhealthfinancial.com](https://www.adminservices.optumhealthfinancial.com) two business days after your due date to ensure payment was withdrawn electronically. If your payment hasn't been withdrawn, please send your payment using another method. You can sign up for automatic withdrawal by printing out the form online, and e-mail, mail or fax.

Viewing premium payments

You will be able to see your coverages, billed amount for each coverage, the Due Date, and any balance due when you are logged into the payments screen of <https://www.adminservices.optumhealthfinancial.com>. Follow the steps below to view payments on <https://www.adminservices.optumhealthfinancial.com>.

1. Click on "Plan Details" from the left navigation menu
2. Scroll down to payments section
3. Review payments due and payments received
4. Select "+" next to any payment to view additional details.
5. Select EXPAND ALL to view all details.
6. Select COLLAPSE ALL to hide all details.
7. The Payments section will only show your full premiums.

Contact us

Have additional questions? Send us a message securely at Ask the Experts. You will get a confirmation number from us once you submit your request.

Glossary of COBRA terms

COBRA law, as with any law, has its own special terminology that can quickly become confusing. Based on our comprehension of the COBRA laws, we can assist you in understanding the terminology so you will soon sound like a COBRA expert! Please bear in mind that occasionally terminology may differ slightly between sources such as insurance carriers, TPA's, agents, brokers, etc. COBRA was established to permit employees and their dependents continued health related coverage for a specified period, when it would normally be lost due to certain "qualifying events" such as termination or reduction of hours of the employee, and for spouses and dependents, divorce, death of the employee, Medicare entitlement of the employee, dependents reaching the maximum age under health-related plans, or bankruptcy of the employer for retirees.

COBRA: Consolidated Omnibus Budget Reconciliation Act of 1985.

COBRA Continuation Coverage: Refers to the 18, 29 or 36 month period of time that a qualified beneficiary who has elected COBRA continuation coverage has to remain covered under COBRA.

COBRA-Eligible Plans: Benefit plans that are sponsored by an employer or employee organization and provide health related benefits for the diagnosis, cure or treatment of a health condition, including mental health. Most common plans are health, dental, vision, employee assistance plans (that provide more than referrals), medical flexible spending accounts, health reimbursement arrangements, medical reimbursement plans, wellness or physical evaluation programs, and even on-site medical care provided to employees and/or their dependents.

COBRA Participant: refers to a qualified beneficiary who has elected COBRA coverage.

COBRA Timetables: Refers to the specific COBRA coverage periods required to be offered for different qualifying events that result in loss of coverage.

- A termination of employment or reduction of hours for the employee is a coverage period of 18 months.
- If the qualified beneficiary is disabled (by Social Security determination) prior to or within the first 60 days of COBRA continuation coverage, and remains disabled, up to an additional 11 month extension of coverage is available.
- A spouse or dependent of the employee is eligible for up to 36 months in the event of divorce or legal separation, loss of dependent status, or the death of an employee.
- If an employee loses employment or has work hours reduced within 18 months AFTER becoming entitled to Medicare, covered dependents may continue their coverage for up to 36 months from the date of the employee's Medicare entitlement.
- A retired employee and his or her qualified dependents are eligible for up to 36 months in the event the employer files for bankruptcy under Title XI, United State Code and the employee loses coverage up to a year before or a year after such filing.

Glossary of COBRA Terms *continued*

Covered Employee: Any employee who is (or was) provided coverage under a group health plan through that individual's employment or previous employment.

Covered Employer: An employer who is required to comply with the COBRA law because they had 20 or more employees in the previous year, as counted on at least 50% of the "typical" business days. Part-time employees may be counted as full-time equivalents (FTE) based on their average hours, rather than as one employee.

Determination of Disability: COBRA law allows a qualified beneficiary who has been considered disabled according to Social Security, an additional extension of up to 11 months of coverage beyond the normal 18 months. This applies as long as 1) the qualified beneficiary notifies the employer or OHFS within 60 days of the Social Security determination, AND 2) that the determination is made or remains in effect as of at least one day before or within 60 days after the COBRA coverage begins.

Election Period: Is the 60 day period of time that the employee, spouse or dependents have to actually choose or "elect" COBRA coverage. The election period is measured from the later of the "loss of coverage date" or the date the qualified beneficiary was sent the "notice of election rights." The election period does not affect the overall COBRA coverage period. If a qualified beneficiary does not elect COBRA coverage by the 60th day, he or she has no further legal rights to COBRA coverage.

Grace Period(s): Refers to the time periods that a COBRA participant has to pay the premiums due. For instance, once the qualified beneficiary has elected COBRA coverage, he or she has 45 days to pay any premiums due between the qualifying event date and the date of election. He or she also has a 30 day grace period for monthly premium payments, as well as an additional 30 day grace period for making up a partial payment. Finally, a participant's grace period may be put on "hold" if it is found that he or she is mentally or physically incapable of making timely payments, until arrangements for payment can be made on his or her behalf.

Individual Rights of Election: Each qualified beneficiary has the right to independently elect COBRA coverage. The employee or the spouse may also elect coverage on behalf of other family members as qualified beneficiaries. However, the employee or spouse may not decline coverage for a qualified beneficiary age 18 or older. For example, an employee may not decline for a spouse, or for an 18-year-old dependent.

General Notice: The IRS Code and ERISA each provide that a group health plan must provide a written notice to each covered employee and spouse of the employee (if any) of the rights provided under COBRA. A General Notice can be provided through the COBRA-eligible plan booklets or summary plan descriptions, or it can be a separate document. The separate document can be provided to employees through orientation, or through the new hire paperwork. If the employee adds his/her spouse to the coverage at the time of his/her first eligibility, a written notice must also be delivered to the spouse. This is usually done through a first class mailing to the home address. If a spouse is added at a later time, such as through open enrollment or marriage, a separate Notice must be delivered.

"Insignificant" Amount: Is defined as the lesser of either \$50 or 10% of the COBRA premium due.

Loss of Coverage Date: Is the date that the qualified beneficiary actually loses "regular" coverage from the employer's plan. This may be a different date than the "qualifying event date." For instance, an employee has a qualifying event of a reduction in hours on the 15th of the month, but the coverage

Glossary of COBRA Terms *continued*

is not actually lost until the end of the month. The last day of the month would then be the “loss of coverage date.” The 18, 29 or 36 month COBRA coverage period, however, is typically counted from the date of the qualifying event, rather than the loss of coverage date.

Multiple Qualifying Events: An event that happened more than once that would allow an employee and his/her covered dependents to elect COBRA coverage each time “regular” coverage is lost. There is no limit to the number of times an employee or qualified beneficiary can elect COBRA coverage, as long as there continues to be events in which “regular” coverage through the employer is lost.

Example 1: An employee, who works on a seasonal basis for which he is laid off at a certain time period each year, and is eligible for health care, could elect COBRA coverage each time he was laid off, if “regular” coverage under the employer’s plan(s) was lost.

Example 2: A dependent that drops down to part-time college attendance may lose eligibility for “regular” coverage under the covered employee, (i.e. the parent) and could then elect COBRA. A return to full-time status would allow him/her to again become eligible for regular coverage. The student could elect COBRA coverage each time there was a drop below fulltime school hour status.

Notice of Election Rights: This is an additional notice requirement that must be delivered to all qualified beneficiaries regarding their COBRA election rights within 14 days of being notified of a qualifying event.

Partial Payment: Refers to a COBRA participant making less than the full payment due. However, if the partial payment is of an “insignificant amount”, the employer may not cancel coverage, and must allow another 30 day grace period to make the full payment. Coverage may be canceled if full payment is not made within the second 30 day grace period. The required additional grace period does not affect the due dates for subsequent months’ billing.

Qualified Beneficiary: Refers to an employee or a dependent that is covered on an employee’s group health-related plan the day *before* the qualifying event takes place. As an example, if an employee and a dependent gained coverage on the first of the month, and the employee terminated on the 15th of that month, he and his eligible dependent(s) would be eligible for coverage under COBRA. A newborn or adopted child may also be added to a *covered employee’s* COBRA as a qualified beneficiary even after the original qualifying event.

Qualifying Event: This is the date on which a situation occurs that might cause an employee or his dependents to lose coverage under an employer’s group health-related plan, such as:

- Termination of employment
- Reduction in hours (including leaves of absence)
- Employee’s entitlement to (covered by) Medicare
- Divorce or legal separation
- Death of employee
- Dependent reaching maximum age of coverage
- Bankruptcy of the employer for which a retiree and dependents were previously eligible for coverage.

Second Qualifying Events: An additional qualifying event that occurs during the first period of COBRA coverage that *may* qualify for an extension of COBRA coverage. For example, if a former employee who elects for 18 months of COBRA coverage for his family because of a termination of employment, then later divorces, his former spouse and any eligible dependents would be eligible to elect up to a total

Glossary of COBRA Terms *continued*

COBRA continuation period of 36 months. (Can also be referred to as a subsequent or multiple qualifying event). The maximum period of COBRA second or subsequent qualifying event coverage is a total of 36 months, as counted from the date of the first qualifying event. COBRA coverage is not extended if the original qualifying event already provides for 36 months of COBRA coverage. If a second qualifying event occurs, involving the spouse or dependent children, the employee, or the spouse must notify the employer or OHFS in writing within 60 days of the second event. Failure to notify within that time period would disqualify the qualified beneficiaries from obtaining an extension of COBRA coverage, if eligible.

State Continuation Law: Some states have their own continuation coverage requirements. An employer must offer the more generous of the provisions between the state and federal laws. Typically, the COBRA coverage is more generous.

Termination of COBRA: COBRA can be terminated earlier than the full COBRA time period for several reasons:

- Failure by the participant to make timely payments;
- Employer ceases to provide any health insurance coverage;
- The participant becomes covered under another plan
- which doesn't limit or exclude for pre-existing conditions; or
- Medicare entitlement.

Unavailability of COBRA Coverage: The regulations define that if an employee or dependent submit notification that an event has occurred, or make a request for COBRA coverage, they expect continuation coverage is available. If continuation coverage is not available, the Department of Labor requires a notice of unavailability of COBRA to be sent within 14 days.

Waiver of Coverage: During the 60 day election period, a qualified beneficiary has the right to decline coverage and then revoke the declination or "waiver" (in effect, electing coverage). In fact the qualified beneficiary may waive and then revoke the waiver as many times as they wish. The last change received by the 60th day (postmarked) will be the qualified beneficiary's decision that is upheld by the employer – whether that is to waive coverage or elect it.

The definitions of these COBRA terms have been prepared based on OHFS's understanding and knowledge of the COBRA laws. OHFS is not engaged in the practice of law. The employer should consult with its own attorney on the legal implications of COBRA for the employer's situation.