

COBRA Premium Assistance Process for UW System Institutions

Eligibility for ARRA premium assistance is scheduled to expire on December 31, 2009. Under the current program, employees must involuntarily terminate employment by December 31, 2009 and have COBRA coverage in effect prior to January 1, 2010 in order to be eligible for premium assistance. As long as COBRA coverage begins in 2009, the former employee is eligible for up to nine months of premium assistance. Federal legislation has been introduced to extend the program but until it passes, please follow the instructions below.

Institution Responsibilities

1. **Send COBRA Premium Assistance packet to all COBRA-eligible employees who terminate employment beginning March 1, 2009 AND could elect COBRA coverage effective prior to January 1, 2010 under any plan.**
 - a. Even if you know the employee is not eligible for COBRA premium assistance but is eligible for COBRA, the law requires that you send the employee the full COBRA packet.
 - b. Per ETF guidance, retirees are NOT eligible for COBRA and should not be sent the COBRA packet. Retirees are eligible for retiree continuation of benefits (lifelong continuation) and this is not COBRA continuation. If a retiree elects to not continue benefits through retiree continuation, it's deemed a voluntary cancellation of coverage. A voluntary cancellation of coverage is NOT a COBRA-qualifying event.
 - c. Complete the cover letter of the COBRA packet
 - Enter the employee's identifying information
 - Enter the plan name and coverage level of the benefits that the employee is eligible to continue.
 - d. Complete the State Group Health COBRA/Continuation form
 - Enter the employee's identifying information
 - Complete the employer section in full
 - e. Enter the coverage paid through date in the employer section of the Anthem DentalBlue continuation form.
 - f. Enter the date the form was mailed to the employee and the coverage paid through date on the EPIC continuation form.
 - g. Enter the coverage paid through date in Section 1 of the OptumHealth continuation form.
 - h. Include the appropriate premium rate sheet in the packet (WRS or Grad).
2. **Use the Excel template provided (available on COBRA subsidy website) to track all employees to whom you send the COBRA packet. The following information must be entered:**
 - a. Name, SSN and Person ID of employee
 - b. Termination date
 - c. Address where notice was sent
 - d. Date the COBRA packet was sent to the employee
 - e. A paper or electronic copy of the cover letter that was sent to the employee (do not need to retain a copy of the entire packet)
 - f. If the employee applies for COBRA premium assistance, enter either a "Y" or an "N" in the "Eligible for subsidy" column.
 - g. If the employee carries a family policy and one or more of the dependents are NOT qualified beneficiaries/eligible for premium assistance, enter a "Y" in the "Ineligible Dependents" column and add the dependent's name and relationship in the "Comments" field.
 - h. If one or more of the employee's dependents is electing their own/single coverage, enter a "Y" in the "Dep Cont Only" column. Enter the dependent's name and relationship in the "Comments" field.

- i. If the packet is returned undeliverable, enter this information in the “Comments” field. If the packet is returned with a forwarding address, forward the packet to the new address. If there is no forwarding information, no further action is required.

NOTE: You may be asked to provide this information to the UW Service Center in the event of an audit of our process. Please use the template provided because the Service Center will need the information in the same format from everyone so it can be easily imported into a database.

3. **Track all employees who terminate employment during or after the October unclassified payroll or the October A classified payroll.**
 - a. If the COBRA premium assistance provisions are extended, we will need to contact all former employees who previously were not eligible for premium assistance.
 - b. Employees who term in October will be eligible for premium assistance for optional plans, but not health insurance.
 - c. Employees who term during the November unclassified payroll or on or after the November A classified payroll will not be eligible for premium assistance because COBRA will be effective in 2010 for all plans.
4. **Receive completed forms from employees. The forms will include all or some of the following:**
 - a. Request for Treatment as an Assistance Eligible Individual (ET-2314 UWS)
 - b. COBRA continuation forms (State Group Health, Anthem DentalBlue, EPIC, OptumHealth Vision, as applicable)
 - c. Enrollment applications for any plans where the employee changes plans (can change plans under health and Anthem DentalBlue only) or coverage level or a dependent is enrolling in own policy.
5. **Ensure that forms are completed correctly and all needed forms have been received.**
 - a. Request for Treatment as an Assistance Eligible Individual
 - This form must be completed if the employee (or dependent) is applying for COBRA premium assistance.
 - Employee must answer all 5 questions in Section B and sign the form.
 - If the employee wants to receive COBRA premium assistance to cover dependents while on COBRA, **the employee must complete back of form for all eligible dependents and answer all questions for each dependent.**
 - b. COBRA continuation forms – must have a completed form for any benefit plan that the employee (or dependent) wants to continue. If the employee is continuing family coverage, only one completed COBRA form is needed for each plan.
 - c. Benefit applications
 - Employee must submit an enrollment application if changing coverage level and/or to a lower cost State Group Health or Anthem DentalBlue plan.
 - An employee does have the right to change to any health plan, including a higher cost plan, within 30 days of a move from the service area. The employee is still eligible for COBRA premium assistance.
 - If a dependent is applying for his/her own coverage, the dependent must submit an enrollment application
 - d. If employee does not submit one or more forms and/or does not fill out form(s) correctly, follow-up with employee so corrections can be made.
6. **Complete the employer portion of submitted forms**
 - a. Request for Treatment as an Assistance Eligible Individual – complete entire employer section
 - b. State Group Health Continuation/Conversion Notice

- The employer section was not completed for former employees who received the initial mailing from the Service Center (terms between Sept 1, 2008 and Feb 28, 2009) so you will need to complete the employer section upon receipt.
- For all terminations March 1, 2009 and forward, you must complete the employer section before the form is mailed to the employee
- c. Anthem DentalBlue Continuation form: For Employer Use Only section: complete all information
- d. EPIC Continuation form: Payroll Administrators Use Only section: complete all information
- e. OptumHealth Continuation form: Section 1: complete the termination information
- f. Enrollment applications (if applicable) – initial and enter a date in the date received field.

7. If employee (or dependent) is eligible for COBRA premium assistance

- a. Return copy of the completed Request for Treatment as an Assistance Eligible Individual form to the employee.
- b. Send a completed “Instructions for Submitting Payment for COBRA Premium Assistance ([UWS 90](#))” notice to the employee. Send a copy of the completed UWS 90 to the UW Service Center as well.
 - Enter the plan name and coverage level of the benefit plans that the employee wants to continue.
 - Determine eligibility of dependents – if one or more of the employee’s dependents is not eligible for COBRA premium assistance (e.g. continued family coverage includes a domestic partner, stepchild...); you should still send this form but indicate why the dependent is not eligible.
 - Indicate employee cost to continue coverage – if you have questions regarding how to calculate the employee’s portion of the premium, contact Beth Ritchie or Nicole Zimm.

How to submit continuation forms and applications (if applicable) to benefit plans:

- ➔ **Health Insurance** - fax Request for Treatment as an AEI and continuation form (and application if applicable) to ETF at 608-266-5801
 - ➔ **Anthem DentalBlue** - fax continuation form (and application if applicable) to Anthem DentalBlue, Attn: Christy Mathews at 513-770-7360
 - ➔ **EPIC** - Fax continuation form to EPIC at 1-800-236-7610 or 608-223-2159
 - ➔ **OptumHealth Vision** - fax continuation form (and application if applicable) to “Your Benefit Plan” at 317-598-0700 if COBRA coverage is effective on or before December 1, 2009.
- c. Fax or mail copies of all forms that the employee submitted and a copy of the completed UWS 90 to the UW Service Center.
 - If you fax the forms, address the fax to **UW Service Center, Attn: COBRA Subsidy** (fax to 608-262-8436)
 - If you send forms via mail, enclose them in a separate envelope addressed to **UW Service Center, Attn: COBRA Subsidy**
 - Keep all original documents at your institution
 - d. Add approval information to tracking document

8. If employee (or dependent electing their own policy) is NOT eligible for COBRA premium assistance but is eligible for COBRA continuation

- a. Return copy of the completed Request for Treatment as an Assistance Eligible Individual form to the employee.

- b. Send a completed Denial of Your Request as Treatment as an Assistance Eligible Individual ([UWS 91](#)) to employee.
 - c. Fax all completed continuation forms (and applications if applicable) to appropriate carriers (see carrier contact information above) – you are to assume that the employee still wants to continue coverage on COBRA even if not eligible for premium assistance.
 - d. You do **NOT** send copies of continuation forms and applications to UW Service Center.
 - e. Add denial information to tracking document – add reason for denial in “Comments” field.
- 9. If an employee sends premium payment to institution in error**
- a. Forward payment and bill from carrier to UW Service Center.
 - b. Send payment and bill in an envelope addressed to **UW Service Center, Attn: COBRA subsidy**.
10. You will be able to verify receipt of payment by the Service Center on the Prepayment System, under the COBRA section within 5 business days.
- 11. If an employee submits a Participant Notification ([UWS 92](#)) form to you indicating that he/she is no longer eligible for premium assistance, fax a copy of the form to the Service Center to ensure that they do not process any future payments for the person.**
12. If you have eligibility questions, contact Beth Ritchie at 608-265-5150 / britchie@uwsa.edu or Nicole Zimm at 608-265-5088 / nzimm@uwsa.edu.
13. If you have questions about the receipt of a payment, contact Paul Leverentz at 608-262-6116 or via email at pleverentz@ohr.wisc.edu. If Paul is unavailable, please send an email to sc-benefits@ohr.wisc.edu.

Employee Responsibilities

1. Return forms to institution to request treatment as an AEI
2. Send money order or cashier’s check made payable to “University of Wisconsin” for premium(s) to UW Service Center along with copies of the premium bill(s).
 - a. The Service Center will NOT accept a personal check – the employee must pay with cash, cashier’s check or money order. This applies only to employees eligible for COBRA premium assistance, not active employees paying for benefits through the prepay system.
 - b. The employee may combine premiums for different plans in one check.
 - c. The employee may combine premiums for multiple people in one check (e.g. multiple people within a family take a single policy)
3. Notify institution and the benefit plan of any changes in eligibility
4. Exercise appeal rights if appropriate

Service Center Responsibilities

1. Process employee payments
 - a. Confirm that employee payment is correct
 - b. Add employer share of premium
 - c. Remit check for total premium to vendor(s)

2. Enter payment in Prepayment System so institution can view status of payment and review when full payment has been sent to vendor(s)
3. Track nine-month eligibility and notify the employee when eligibility for premium assistance will end and how to continue benefits beyond that date.
4. Send an electronic not taken report to institutions after every payroll calc to ensure that institutions are aware of employees who have missed deductions due to termination.
5. Coordinate with ETF who is currently on COBRA and manage the refundable amount
6. Manage the 65% of premium and apply credit to the quarterly employment tax return (Form 941)

ETF

1. Identify employees currently on COBRA for UWSC
2. Receive faxes for regular COBRA and Health Insurance applications if changing plan or coverage level
3. Remit COBRA enrollment information to health plan

Insurance Carrier

1. Process COBRA enrollment
2. Generate and mail billing invoice to employee – bill will be for 100% of premium
3. Receive payment