

Establishing the COBRA Program and Policy

1. Determine that your company has/had 20 or more employees and is [required](#) to offer continuation of benefits under [Federal COBRA](#).
2. Determine which [benefits](#) may be continued under COBRA [benefits](#).
3. Determine/outline the [qualifying events](#) and the notifications of these events to the employee, carrier and/or Third Party Administrator.
4. Determine how COBRA will be [billed to/paid by](#) the qualified beneficiary and the rates for the coverage.
5. Determine how you will provide the [COBRA General Notice of Rights](#) to your new employees and new enrollees.
6. Add the COBRA general notice rights to your Summary Plan Description ([SPD](#)) and Summary of Benefits Coverage ([SBC](#)).
7. Determine how the COBRA [recordkeeping](#) and [annual reporting](#) requirements will be met.

Administering the COBRA Program

1. Provide the [COBRA General Notice of Rights](#) to all new employees and/or new enrollees within the first **90 days** of coverage.
2. Provide the employee and/or his/her qualified beneficiaries (dependents) with the [Model COBRA Election Notice](#) **within 14 days** if any of the following [qualifying events](#) occur:
 - A. the employee is terminated or experiences a reduction in hours;
 - B. the employee dies; and/or
 - C. the employee becomes entitled to Medicare.
3. Notify the health plan or Third Party Administrator of the qualifying event within 30 days of event.
4. For qualified beneficiaries, upon [notification from the employee](#), provide the employee and/or their qualified beneficiaries with the Model COBRA Election Notice **within 14 days** of any of the following [qualifying events](#):
 - A. Employee divorce;
 - B. Employee legal separation; and/or
 - C. An employee's child losing dependent status under the plan.
5. Notify the health plan or Third Party Administrator of the qualifying event within 60 days of the event.
6. Track when the COBRA election is due - the employee has 60 days to elect or decline COBRA coverage.
7. If COBRA is not elected within 60 days, file the information in the appropriate internal files.
8. If COBRA is elected, collect payment for the first month's coverage within 45 days of the COBRA election.
9. After the first month, if COBRA payments are late, provide the qualified beneficiary with the appropriate 30 day grace period notice including a notice of non-payment.
10. If payment is not received after the 30-day grace period provide a notice of early termination of COBRA coverage.
11. If late or "short" payment are received, notify the qualified beneficiary in writing and follow steps 8 and 9, if appropriate.
12. Track when COBRA is scheduled to be exhausted.
13. Offer [conversion](#) options to the qualified beneficiary 180 days before the COBRA is exhausted, if applicable.
14. If a [second qualifying event](#) occurs during the COBRA period, extend COBRA rights appropriately

with the carrier and notify the qualified beneficiary.

