

Employer's COBRA Administration Guide



**This “Guide” contains the following information
for your quick reference:**

- ✓ **Support Contact Information for Medcom Benefit Solutions COBRA Division**
- ✓ **Summary of Qualifying Events**
- ✓ **Summary of COBRA Notification Timelines**
- ✓ **How Employer or Plan Administrator Gives Notice to Medcom Benefit Solutions**
- ✓ **Miscellaneous Administration**
- ✓ **COBRA Process Overview**
- ✓ **Required SBC**





COBRA Administrator Contact Information:

Medcom Benefit Solutions
COBRA Division
PO Box 10269
Jacksonville, FL 32247-0269

Contact Info:

Office: (904) 596-4500
Toll Free: (800) 523-7542
Email: COBRA@medcombenefits.com
Website: www.medcombenefits.com

Summary of Qualifying Events

1. **QUALIFYING EVENTS For Eligible, Covered Employees who lose coverage for the following reasons** (18 months of COBRA continuation coverage available with timely payment of premium):
 - Termination of employment
 - Reduction in hours worked

2. **QUALIFYING EVENTS For Eligible Dependents who lose coverage for the following reasons** (36 months of COBRA continuation coverage available with timely payment of premium):

To be eligible for COBRA coverage, **the qualified beneficiary is required to notify Employer** within 60 days of the following:

- Divorce
- Legal Separation
- Ineligibility of Dependent Child
- Death of Covered Employee or Covered Retiree
- Covered Employee/Retiree Becomes Entitled to Medicare and Plan terminates coverage
- Covered Retiree, spouse or child loses coverage within one year before or after commencement of proceeding under Title 11 (bankruptcy)

Summary of COBRA Notification Timelines

1. EMPLOYER’S NOTIFICATION REQUIREMENTS

- **Initial Notice:** This notice is provided to active employees upon benefit enrollment and to a spouse during benefit enrollment after a life event or open enrollment. The notice advises the employee of their future COBRA rights and obligations and informs them of the 60-day rule to notify their employer of specific COBRA events.
- **COBRA Election Notice:** This notice is provided after a Qualifying Event to provide information on election of COBRA, benefit coverage and pricing, as well as the COBRA rights and obligations of the employee and their dependents.

COBRA legislation requires notification from the Employer and Plan Administrator to the Employee or Qualified Beneficiary of COBRA rights as follows:

<u>Notification Responsibility</u>	<u>Notice Must Be Given To</u>	<u>Notice Deadline</u>
Employer	Plan Administrator*	90 Days – Initial Notice (<i>newly enrolled</i>) 30 Days – COBRA Election Notice (<i>qualifying event</i>)
Plan Administrator*	Qualified Beneficiary	14 Days

***Notice should be given to Medcom Benefit Solutions COBRA Division as soon as possible – prior to the expiration of the Notice Deadline.**

2. EMPLOYER or PLAN ADMINISTRATOR must give notice to Medcom Benefit Solutions as follows:

- Enter information on COBRA online web portal
- Email or Fax a completed Employer Notice: COBRA Qualifying Event Form

Miscellaneous Administration

1. For the Employer's Information:

Please review the attached **"Initial Notice of COBRA Rights"** (for new additions to your Plan) and the **"Notice of Right to Elect COBRA Continuation Coverage"** (For Qualified Beneficiaries).

These letters outline COBRA requirements and guidelines. If you have any questions regarding the information contained in the letters, please contact our COBRA Division.

2. COBRA PREMIUM (Or Premium Equivalents Paid by Qualified Beneficiary for the Monthly Cost of Coverage):

- Will be paid by Qualified Beneficiary to Medcom Benefit Solutions
- Medcom Benefit Solutions will forward a check to the Employer once a month for premiums paid to that date

3. Sample COBRA Notifications: Initial Notice of COBRA Rights and Notice of Right to Elect COBRA Continuation Coverage

COBRA Process Overview

1. **Initial COBRA Notice** - Please notify Medcom Benefit Solutions within 90 days of an employee becoming effective on any COBRA eligible plan. These people are usually new hires or someone who has added or changed coverage at open enrollment
2. **Termination** – Please notify Medcom Benefit Solutions within 30 days of the COBRA qualifying event. Medcom Benefit Solutions will send out a COBRA election letter within 14 days of having received the event notification
3. **Election** – Medcom Benefit Solutions will notify you when a participant has elected AND paid initial COBRA payments in full
4. **Carrier Notification** – If Medcom Benefit Solutions is contracted to notify carriers for reinstatements or terminations we will do so after notifying the Employer of the election
5. **Monthly Reports & Payments** – Medcom Benefit Solutions will post monthly reports online, and mail any COBRA premiums that we have collected from the participants
6. **COBRA termination** – Medcom Benefit Solutions will notify you each month of COBRA terminations from the health plan. These terminations may be a result of failure to make a timely payment, voluntary reasons, etc.



Required SBC

Medcom Benefit Solutions does not automatically send out the SBC notices. Please contact Medcom Benefit Solutions if you need assistance with this requirement.

A four-page "summary of benefits and coverage" ("SBC") is required to be provided to applicants and enrollees before enrollment or re-enrollment which includes COBRA Participants and Qualified Beneficiaries. The first SBC must be distributed by the first open enrollment occurring after September 23, 2012 or for those who enter the plan any other time, the plan or policy year beginning after September 23, 2012.

Who Must Be Furnished With Four-Page Summaries?

Generally, the four-page summaries must be distributed to all applicants (at the time of application), policyholders (at issuance of the policy), and enrollees (at initial enrollment and annual enrollment) which includes COBRA Participants and Qualified Beneficiaries.

Four-Page Summaries vs. SPDs and SMMs. Welfare plan SPDs and SMMs must be provided only to participants covered under the plan (and not to beneficiaries).

In contrast, the four-page summaries required under health care reform must be provided to applicants, policyholders, and enrollees—a set of recipients that appears to be broader than participants, and may include beneficiaries.

When Must the SBC be Distributed?

At Open Enrollment (Renewal) The SBC must be included with open enrollment materials.

- If the plan or insurer requires participants or beneficiaries to renew in order to maintain coverage for a succeeding plan year, a new SBC must be provided no later than the date the renewal materials are distributed.
- If renewal is automatic, the proposed rules provide that the SBC must be furnished no later than 30 days prior to the first day of the new plan year, but there is a seven day rule if the policy is not yet issued.

At Initial Enrollment -The SBC for each benefit package offered for which the participant or beneficiary is eligible must be provided as part of any written application materials that are distributed by the plan or insurer for enrollment.

If the plan does not distribute written application materials for enrollment, the SBC must be distributed no later than the first date the participant is eligible to enroll in coverage for the participant and any beneficiaries.

At Special Enrollment - The plan or insurer must also provide the SBC to special enrollees (employees and dependents with the right to enroll in coverage midyear upon specified circumstances) within 90 days of enrollment.

Upon Request - The plan or insurer provide the SBC to a participant or beneficiary upon request, as soon as practicable, but in no event later than seven business days following the request

Penalty for failure to provide new summary or SMM:

- A penalty of not more than \$1,000 may apply for each willful failure to provide the required plan summary or advance summary of a material modification.
- Each participant who fails to receive a required summary (or summary of material modification) is counted separately in determining the amount of the penalty, so it appears that a willful failure to timely provide 5 participants with a summary could result in a fine of up to \$5,000.

December 3, 2018

Sample Sampleton
Theresa Sampleton and Other Insured Dependents, if any
1061 Riverside Ave
Jacksonville, FL 32204

From: Medcom Benefit Solutions
Plan Service Provider for 1 SampleDemo

RE: COBRA ELECTION NOTICE

As a result of a **Termination of Employment** ("Qualifying Event") on **01/01/2018** ("Qualifying Event Date"), your coverage under **1 SampleDemo's group health benefit plan(s)** (the "Plans") will end/ has ended on **01/31/2018** (the "Loss of Coverage Date"). The purpose of this letter is to inform you of your rights and obligations regarding continuation of group health coverage according to a federal law called COBRA, as well as other health coverage options that may be available to you, including coverage through the Health Insurance Marketplace at www.HealthCare.gov or call 1-800-318-2596. You may be able to get coverage through the Health Insurance Marketplace that costs less than COBRA continuation coverage. It may be helpful to refer to the Summary Page of Important Information included with this package as you read this Notice. The Summary Page lists the group health plan coverage(s) you will lose as a result of your qualifying event.

COBRA permits the "Qualified Beneficiary(ies)" identified on the Summary Page included in this package to elect to continue group health coverage under the Plan(s) listed on the Summary Page for a limited time period if coverage is lost as a result of certain Qualifying Events. Only a covered employee, covered spouse and/or covered dependent child who is covered immediately preceding a Qualifying Event are "Qualified Beneficiaries". Also, a child who is born to or adopted by a covered employee during a COBRA period also has the rights of a "Qualified Beneficiary" if enrolled in accordance with the terms of the Plan. If any Qualified Beneficiary timely elects and pays for COBRA continuation coverage for any of the group health benefits listed on the Summary Page, such coverage will be reinstated retroactively to the date it would otherwise terminate. *Special Note: To protect you and your family's rights, if the address(es) shown above and on the Summary Page of this notice are not correct for each and every named Qualified Beneficiary, you must immediately notify the Plan Administrator identified on the Summary Page and provide correct addresses so that we can provide them with this notification and election form. Also, the terms "you" and "your" refer to each Qualified Beneficiary.*

There may be other coverage options for you and your family. Instead of enrolling in COBRA continuation coverage, there may be other more affordable coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a plan sponsored by your spouse's employer) through a special enrollment period. Some of these options may cost less than COBRA continuation coverage. You should compare your other coverage options with COBRA and choose the coverage that is best for you. Please be aware that once you've made your choice, it can be difficult or impossible to switch to another coverage option.

Electing COBRA Continuation Coverage

In order to elect COBRA continuation coverage, you must complete the enclosed COBRA Election Form(s) and mail (or hand deliver) it to the Plan Service Provider identified on the Summary Page included in this package no later than the end of the 60 day election period. The 60 day election period ends 60 days after the later of your Loss of Coverage Date identified above or the date of this notice. You will lose all rights to continue coverage under

COBRA if you do not make an election during this 60-day period. If an election form is mailed, the postmark date will be used to determine if the election was made within the 60-day election period.

You may also use the form to elect coverage for any other Qualified Beneficiaries identified on the Summary Page. Each Qualified Beneficiary will have an independent right to elect COBRA. Covered employees and spouses (if the spouse is a qualified beneficiary) may elect COBRA on behalf of all of the other qualified beneficiaries, and parents (whether qualified beneficiaries or not) may elect COBRA on behalf of their covered minor children who are qualified beneficiaries. If the election doesn't specify whether the coverage is for self-only or not, it will be assumed that the election is for all qualified beneficiaries. Likewise, a qualified beneficiary employee may not decline coverage for a qualified beneficiary spouse or non-minor child. Generally, you have 60 days from the later of the date of the notice or the date coverage is lost as a result of the qualifying event to elect coverage. The election notice and your Summary Plan Description (SPD) will have more information on your election rights and obligations. Any qualified beneficiary for whom COBRA is not elected within the 60-day election period will lose his or her right to elect COBRA coverage. If you need additional COBRA Election Forms, you should contact the Plan Service Provider shown on the Summary Page. Any additional forms that may be required by the insurance company, if any, are also enclosed.

COBRA Continuation Coverage

Generally, you may initially elect to continue the same Plan coverage you had immediately preceding the Qualifying Event, subject to any changes made by the Employer that affect similarly situated non-COBRA participants. You may make changes to your COBRA coverage after your COBRA coverage begins on the same terms and conditions as similarly situated non-COBRA beneficiaries covered under the Plan. For example, you may add a new dependent (provided the new dependent is otherwise eligible) to your COBRA coverage if similarly situated non-COBRA beneficiaries are permitted to add new dependents provided that you enroll the new dependent in accordance with the Plan's enrollment rules. Other than a child born to, adopted by, or placed for adoption with a covered Employee during the COBRA period, spouses and dependents added during the COBRA coverage period are not Qualified Beneficiaries. Other than health FSA coverage, you may also make the same changes at annual enrollment that similarly situated non-COBRA participants are permitted to make. There are special rules for Health FSAs. Those rules and a separate Health FSA election form are included with this notice if such coverage is listed on the Summary Page.

Duration of COBRA Coverage

Generally, COBRA coverage is measured from the date of the Qualifying Event and not the Loss of Coverage Date, even if coverage is not immediately lost as a result of the Qualifying Event unless stated otherwise in the applicable summary plan description. In the case of a loss of coverage due to the end of employment or the reduction in hours of employment, coverage may be continued for up to 18 months. In the case of a loss of coverage due to an employee's death, divorce or legal separation, an employee's becoming entitled to Medicare or a dependent child ceasing to be a dependent under the terms of the Plan, coverage may be continued for up to 36 months provided that the Plan Service Provider was provided written notice of the event within 60 days of the later of the date of the event or the date coverage is lost as a result of the event. When the qualifying event is the end of employment or reduction of the employee's hours of employment, and the employee became entitled to Medicare less than 18 months before the qualifying event, COBRA coverage for qualified beneficiaries (other than the employee) who lose coverage as a result of the qualifying event can extend up to 36 months after the date of Medicare entitlement.

In addition, you may want to contact the insurance carrier or the insurance department in the state in which you reside. Some states have enacted laws that require insurance carriers to extend coverage beyond COBRA's maximum coverage period.

Disability Extension to twenty-nine (29) months.

If a qualified beneficiary is determined by the Social Security Administration ("SSA") to have been disabled at any time during the first 60 days of the COBRA coverage period and you notify the Plan Service Provider identified on the Summary Page in a timely fashion, all of the covered qualified beneficiaries may be entitled to receive up to an additional 11 months of COBRA coverage, for a maximum of 29 months. This extension is available only for qualified beneficiaries who are receiving COBRA coverage because of a qualifying event that was the covered employee's termination of employment or reduction of hours.

The disability extension is available only if you mail written notice of the Social Security Administration's determination to the Plan Service Provider identified in the Summary Page before the end of the 18 month COBRA period or the 60 day notice period, whichever occurs first. The 60 day notice period ends 60 days after the latest of:

- The date of the Social Security Administration's disability determination;
- The date of the qualifying event (i.e. the covered employee's termination of employment or reduction of hours); or
- The date on which the qualified beneficiary loses (or would lose) coverage under the terms of the Plan as a result of the covered employee's termination of employment or reduction of hours.

If the qualified beneficiary is determined by SSA to no longer be disabled, you must notify the Plan Service Provider in writing within 30 days of SSA's determination.

Second Qualifying Event Extension to thirty-six (36) months.

If a qualified beneficiary receiving COBRA coverage experiences another qualifying event during the 18 or 29 month COBRA coverage period following the employee's termination of employment or reduction of hours, the qualified beneficiary spouse and/or dependent children receiving COBRA coverage can get up to a maximum of 36 months from the Qualifying Event Date (or from the Loss of Coverage date if COBRA is measured from that date) that was a termination of employment or reduction in hours of employment if notice of the second qualifying event is properly given to the plan. A qualified beneficiary will only be entitled to an extension if the same event would have caused a "loss of coverage" under the Plan if it were the original event. This extension may be available to the qualified beneficiary spouse and/or dependent children for one of the following reasons:

- Death of a covered employee
- Divorce or legal separation from the covered employee
- Covered employee becomes entitled to Medicare but dependents do not
- Dependent child no longer meets the Plan's definition of a "dependent"

In all of these cases, you must make sure that the Plan Service Provider identified on the Summary Page is notified of the second qualifying event in writing within 60 days after the event. You will not be entitled to the extension if you fail to provide timely notice. This notice must include the names and addresses of all qualified beneficiaries, the type of event, the date of the event.

Special rule for leaves of absence due to services in the Uniformed Services:

If a covered employee takes a leave of absence to perform services in the Uniformed Services (as addressed in the Uniformed Services Employment and Reemployment Act or "USERRA") that is expected to last 31 days or more, the covered employee may be able to continue health coverage for the employee and any covered dependents until the earlier of 24 months from the date the leave began or the date that the employee fails to return to work as required under USERRA. The cost to continue this coverage during the 24 month period is 102% of the applicable premium. The USERRA continuation period will run concurrent with the COBRA period described herein. The rights described in this Notice apply only to the COBRA continuation period. Notwithstanding anything to the contrary in this Notice, continuation of coverage during a military leave of absence covered under USERRA will be administered in accordance with requirements of USERRA.

Cost of COBRA Coverage

Once coverage has been elected, full premiums must be paid on a timely basis for coverage to remain in effect. Please refer to the premium schedule on the coverage election form for instructions on how to make premium payments and the specific premium amount(s). The premiums shown include a 2.0000% fee to cover the additional administrative expenses associated with COBRA continuation. If your maximum coverage period is extended solely because of a disability determination (explained below), then the administrative fee will increase to 50.0000% of the premium when the coverage includes the disabled person. The basic rates may change annually, usually following open enrollment.

Premium payments are considered paid on the date you mail them (as evidenced by your postmark date). If your premium payment is made by check, and your check is returned because of insufficient funds, your premium is

treated as unpaid. You must make full payment within the required time period, including a grace period, to prevent cancellation. If your coverage is canceled for non-payment of premium, you cannot reinstate it.

Initial Premium Payment and Amount

Your "initial premium payment" must be made within 45 days after the date you elect to continue coverage. For example, if an election is postmarked on March 15th, premium must be paid no later than April 29th.

Your "initial premium amount" must include all premiums due for coverage from the date coverage would have otherwise terminated through the last day of the monthly coverage period ending on or before the 45th day following the date of the COBRA election. For example, assume coverage ended on January 31st and an election to continue coverage was dated March 15th. Premiums for February and March must be paid by April 29th, the 45th day after the date of the election. If coverage ended on January 22nd instead of January 31st, you would owe premiums for the nine remaining coverage days in January in addition to the premiums for February and March.

Please send Initial Premium Payment to Medcom PO Box 10269 Jacksonville, FL 32247-0269.

If you do not make your first payment for COBRA coverage in full within 45 days after the date of your election, you will lose all COBRA rights under the Plan.

Monthly Premium Payments and Grace Periods

After the initial premium payment is made, future premiums will be due on the 1st of each month for that month of continuation coverage. Additionally, you will have a 30 day "grace period" following the due date. Premiums must be paid in full by the end of the grace period to avoid retroactive cancellation of coverage. Your postmark date will determine the date premium payment is considered made. If claims are paid for expenses incurred during a month for which premium was not paid timely, you will be required to reimburse the Plan for the claims paid.

Please send Subsequent Monthly Premium Payments to Medcom PO Box 830529 MSC#668 Birmingham, AL 35283-0529.

There will not be any periodic notices of payments due for these coverage periods (that is, we will not send a bill to you for your COBRA coverage – it is your responsibility to pay your COBRA premiums on time).

Upon receipt of your first COBRA payment, please allow 7 to 10 days for your carrier to receive and update your coverage. Claims for reimbursement will not be processed and paid until you have elected COBRA and made the first payment for it.

Conversion to an Individual Policy

Once your maximum coverage period expires, you may be able to convert to an individual health insurance policy if such a policy is available. If a conversion option is available to you, we will notify you within 180 days of the date your COBRA continuation coverage is scheduled to expire.

Early Termination of COBRA Coverage

Continuation Coverage may terminate before the end of the maximum coverage periods described above under the following circumstances:

- When premium is not paid timely.
- When 1 SampleDemo no longer maintains any group health plan for its employees.
- When a person who has elected continuation coverage becomes covered by another group health plan, which does not exclude or limit that person's pre-existing condition(s). When those exclusions or limitations no longer apply, coverage may be terminated. You or a family member is obligated to notify us immediately when a qualified

beneficiary becomes covered by another group health plan. (Note: plans imposing pre-existing condition exclusion will become prohibited beginning in 2014 under the Affordable Care Act.)

- When a person who has elected continuation coverage becomes entitled to Medicare, continuation coverage for that person only will end on the date of Medicare entitlement. You or a family member is obligated to notify us immediately when a qualified beneficiary becomes entitled to Medicare.
- When coverage was extended due to the disability, and the disability no longer exists as determined by the Social Security Administration, coverage for qualified beneficiaries will terminate on the first of the month that begins more than 30 days after the SSA determination.
- Coverage may be terminated for cause (such as submitting fraudulent claims). A termination of coverage for cause will be made on the same basis as used for terminating coverage for any active covered employee and covered dependents.

Note: If coverage is terminated early, you may lose any eligibility for a conversion option, which might otherwise have been available.

Notices You Must Provide

After you have elected continuation coverage, you or a family member must provide written notice promptly when and if the following events occur:

- 1.) When the mailing address for any covered person changes, to protect you and your family's rights;
- 2.) When a disabled covered person is no longer determined to be disabled;
- 3.) When any qualified beneficiary becomes entitled to Medicare;
- 4.) When any qualified beneficiary becomes covered by another group health plan;
- 5.) When any qualified beneficiary's marital status changes;
- 6.) When any dependent child ceases to meet the eligibility requirements for plan coverage; and
- 7.) When a child is born to or adopted by any qualified beneficiary.

Health Insurance Marketplace

The Marketplace (or Exchange) allow you to find and compare private health insurance options. In the Marketplace, you could be eligible for a new kind of tax credit that lowers your monthly premiums and cost-sharing reductions (amounts that lower your out-of-pocket costs for deductibles, coinsurance, and copayments) right away, and you can see what your premium, deductibles, and out-of-pocket costs will be before you make a decision to enroll. Through the Marketplace you'll also learn if you qualify for free or low-cost coverage from Medicaid or the Children's Health Insurance Program (CHIP). You can access the Marketplace for your state at www.HealthCare.gov. Coverage through the Health Insurance Marketplace may cost less than COBRA continuation coverage. Being offered COBRA continuation coverage won't limit your eligibility for coverage or a tax credit through the Marketplace.

Enrolling in Marketplace Coverage

You always have 60 days from the time you lose your job-based coverage to enroll in the Marketplace. After 60 days your special enrollment period ends and you may not be able to enroll until the next open enrollment period. To find out more about enrolling in the Marketplace, such as when the next open enrollment period will be and what you need to know about qualifying events and special enrollment periods, visit www.HealthCare.gov.

Switching Coverage

If you sign up for COBRA continuation coverage, you can switch to a Marketplace plan during a Marketplace open enrollment period. You can also end your COBRA continuation coverage early and switch to a Marketplace plan if you have another qualifying event such as marriage or birth of a child through something called a "special enrollment period." But be careful though - if you terminate your COBRA continuation coverage early without another qualifying event, you'll have to wait to enroll in Marketplace coverage until the next open enrollment period, and could end up without any health coverage in the interim. Once you've exhausted your COBRA continuation coverage and the coverage expires, you'll be eligible to enroll in Marketplace coverage through a special enrollment period, even if Marketplace open enrollment has ended. If you sign up for Marketplace

coverage instead of COBRA continuation coverage, you cannot switch to COBRA continuation coverage under any circumstances.

Factors to Consider in Deciding Between Coverage Options

- **Premiums:** Your previous plan can charge up to 102% of total plan premiums for COBRA coverage. Other options, like coverage on a spouse's plan or through the Marketplace, may be less expensive.
- **Provider Networks:** If you're currently getting care or treatment for a condition, a change in your health coverage may affect your access to a particular health care provider. You may want to check to see if your current health care providers participate in a network as you consider options for health coverage.
- **Drug Formularies:** If you're currently taking medication, a change in your health coverage may affect your costs for medication – and in some cases, your medication may not be covered by another plan. You may want to check to see if your current medications are listed in drug formularies for other health coverage.
- **Severance payments:** If you lost your job and got a severance package from your former employer, your former employer may have offered to pay some or all of your COBRA payments for a period of time. In this scenario, you may want to contact the Department of Labor at 1-866-444-3272 to discuss your options.
- **Service Areas:** Some plans limit their benefits to specific service or coverage areas – so if you move to another area of the country, you may not be able to use your benefits. You may want to see if your plan has a service or coverage area, or other similar limitations.
- **Other Cost-Sharing:** In addition to premiums or contributions for health coverage, you probably pay copayments, deductibles, coinsurance, or other amounts as you use your benefits. You may want to check to see what the cost-sharing requirements are for other health coverage options. For example, one option may have much lower monthly premiums, but a much higher deductible and higher copayments.

For More Information.

This notice does not fully describe COBRA coverage or other rights under the Plan. More information about COBRA coverage and your rights under the Plan is available in your Summary Plan Description or from the Plan Administrator. You can get a copy of your Summary Plan Description from the Plan Administrator identified on the Summary Page:

For more information about your rights under ERISA, including COBRA, the Health Insurance Portability and Accountability Act (HIPAA), and other laws affecting group health plans, contact the U.S. Department of Labor's Employee Benefits Security Administration (EBSA) in your area or visit the EBSA website at

www.dol.gov/ebsa.

If you have questions, or need additional information, you should contact the Plan Administrator or Plan Service Provider identified on the Summary Page or to contact the Department of Labor at 1-866-444-3272 to discuss your options.

For more information about health insurance options available through the Health Insurance Marketplace, visit:

www.healthcare.gov

ENCLOSURES:

COBRA Election Notice Information Summary
COBRA Coverage Continuation Premium Summary
COBRA Election Form
Insurance Company Forms (if applicable)

COBRA Election Notice Information Summary Page

The summary information below lists pertinent facts regarding your COBRA Qualifying Event. This summary information is intended to assist you as you read through the remainder of this Election Notice. You should read this entire Election Notice carefully because it describes your rights and obligations under the COBRA law. You should keep this entire notice in a safe place and refer to it as needed.

Plan Service Provider: All notices and other communications regarding the Plan and regarding COBRA must be directed to:

Plan Administrator: 1 SampleDemo is the Plan Administrator.

**Medcom Benefit Solutions
P.O. Box 10269
Jacksonville, FL 32247-0269
Phone: (800) 523-7542, option 3
Fax: (855) 263-1764
Email: premiumbilling@medcombenefits.com**

**1 SampleDemo
1061 Riverside Avenue
Jacksonville, FL 32204**

Coverages Affected by this Qualifying Event:

<u>Coverage</u>	<u>Last Day of Coverage</u>	<u>Maximum COBRA Coverage Duration</u>	<u>Current Tier</u>	<u>Qualified Beneficiaries</u>
PPO Medical Plan	01/31/2018	18 months (07/31/2019)	EE + Child(ren)	Sample Sampleton, Theresa Sampleton
DMO Dental Plan	01/31/2018	18 months (07/31/2019)	EE Only	Sample Sampleton

This Notice was Mailed to the Following Address(es) on December 3, 2018:

1061 Riverside Ave
Jacksonville, FL 32204

Special Note: If the address(es) outlined on Page 1 of this notice are not correct for each and every named Qualified Beneficiary, you must notify 1 SampleDemo immediately and provide correct addresses so that we can provide them with this notification and election form. Also, the terms "you" and "your" refer to each Qualified Beneficiary.

Qualifying Event and Date:
Termination of Employment
which occurred on 01/01/2018

Deadline to Request Coverage Continuation:
02/01/2019

Deadline to Pay Initial Premiums:
You must pay your Initial Premium within 45 days of the date you request coverage continuation.

COBRA Coverage Continuation Premium Summary

1 SampleDemo

To: Sample Sampleton

Instructions:

To elect COBRA continuation coverage, you must complete, sign and date the Election Form, and return it to the Plan Service Provider as set forth above. If you elect COBRA, you must pay the "applicable premium" by the due dates described above. You may [insert the method for making payment-mail, fax, ACH, etc]. If you mail your premium payment, your premium payment is considered made on the date you mail it as evidenced by the postmark date.

Sample Sampleton currently has the following and the premium for such coverage is as follows:

PPO Medical Plan

Current Tier: EE + Child(ren)

Members: Sample Sampleton, Theresa Sampleton

Available Tiers:

EE Only	EE + Spouse	EE + Child(ren)
\$ 408.00	\$ 612.00	\$ 816.00

DMO Dental Plan

Current Tier: EE Only

Members: Sample Sampleton

Available Tiers:

EE Only
\$ 27.54

Please make your elections on the following page. You may elect one or more of the above benefits identified above only if active employees are allowed to separately elect the benefits.

COBRA Election Form for: Sample Sampleton

Qualifying Event Date: 01/01/2018 **Last date of Coverage:** 01/31/2018 **Deadline for Election:** 02/01/2019

(Note: This form can be duplicated as needed if individual qualified beneficiaries are exercising their independent election rights. Unless the Qualified Beneficiary electing coverage specifically indicates self-only coverage, it will be assumed that the qualified beneficiary is choosing coverage for all other qualified beneficiaries.)

Coverage Type	Tier Type
Individual Electing under COBRA	Others covered under this election
Coverage Type	Tier Type
Individual Electing under COBRA	Others covered under this election
Coverage Type	Tier Type
Individual Electing under COBRA	Others covered under this election
Coverage Type	Tier Type
Individual Electing under COBRA	Others covered under this election
Coverage Type	Tier Type
Individual Electing under COBRA	Others covered under this election
Coverage Type	Tier Type
Individual Electing under COBRA	Others covered under this election

Statement of Understanding and Election: I have read and understand the COBRA Election Notice, which was sent to me along with this election form. I elect to continue coverage for the persons and plans I have indicated above pursuant to COBRA provisions.

Signature of Individual Electing COBRA Coverage: _____

Return this Election form, First Payment and the appropriate insurance company forms to:

Medcom Benefit Solutions
P.O. Box 10269
Jacksonville, FL 32247-0269

Premium Payments

You may enclose your initial premium with your election to continue coverage. (See page 3 "Cost of COBRA Coverage" of your notice for information regarding premiums.) If you choose to do so, make your check or money order payable to the Medcom. *You can also pay online by credit card or bank draft for an additional fee. Please visit our website at www.medcombenefits.com*

Please identify in the memo field your personal "mmkey **519402**" on the check or money order.

If you have a phone number, please share it with us. (_____) _____ - _____ .

If you have an email address, please share it with us. Thanks! _____ .

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December 3, 2018

Sample Sampleton
1061 Riverside Ave
Jacksonville, FL 32204

RE: COBRA ONLINE ACCESS

Dear Sample,

Welcome to the **1 SampleDemo** COBRA Online Portal. Participation in this plan allows you access to *myRSC*, a secure web site, where you can track your COBRA payments and view COBRA letters. You can also now make your initial COBRA election online, as well as make premium payments. If you have already received login information and set up your user ID and password, you can continue to use the same information. Login to the COBRA online portal is only available to the original employee, and is not functional for a dependent on COBRA. To log in to *myRSC* for the first time, follow the steps below:

1. Go to <https://www.medcombenefits.com/cobra-login/>.
2. Click **Register**.
3. Enter your SSN (no dashes or spaces) in the Login ID field and click **CONTINUE**.
4. Enter 33716782 in the Employer Code field and click **CONTINUE**.
5. Enter a login ID of your choice that is at least 6 but not more than 100 characters in length. Note: Since Social Security Numbers are no longer used as the login ID, the login ID you create may **not** be 9 characters in length.
6. Select an existing e-mail address or enter a new one to be used to e-mail forgotten passwords.
7. Enter a secret question or use a predefined secret question to prompt your memory of your password.
8. Enter the answer to the secret question.
9. Click **SUBMIT**.
10. Enter a new password in the New Password field.
11. Re-enter the password in the Confirm New Password field.
12. Click **CHANGE PASSWORD**.
13. You are now logged into *myRSC*.

*****Please note that if Medcom has just mailed your notice, it can take 24-48 business hours to become available online.*****

Here are some instructions below to help you use the online portal features.

How do I see my notices online?

- 1) Click Fulfillment
- 2) Click File Manager
- 3) Click a batch number. Please choose the batch number corresponding to the most recent date on the site if you are trying to download your COBRA election notice
- 4) After that, you will click the "multiple documents" link and it will download as a PDF

How do I make my initial COBRA election online? (Open Enrollment changes cannot be initiated online)

- 1) Navigate to the Premium Billing tab
- 2) Click Elect Coverage Continuation
- 3) Read and REVIEW the consent information prior to accepting as this is a binding agreement
- 4) Click I Agree, then Continue
- 5) Choose your plan, level of coverage, and who you would like covered, then Continue
- 6) Review and then confirm your elections by clicking Submit
- 7) Review the page after regarding important COBRA information
- 8) You may print this screen for your records

How can I find the date my notice mailed?

- 1) Click on the Premium Billing tab
- 2) Benefit History
- 3) Click the gray Details box located in your Benefits
- 4) All mailing dates are show beside the notice mailed description

How do I see my payment history?

- 1) Click the Premium Billing tab
- 2) Benefit History
- 3) Please allow 24 hours after we have processed your premium payment for it to post online

How do I pay online?

Please note that there is a convenience fee of \$2.00 for Bank Draft and 3% premium for Credit/Debit Card payments. If you do not want to pay these fees, you will need to mail your premium payments to Medcom as outlined in your COBRA election notice.

- 1) Click the COBRA/Retiree Billing tab
- 2) Click Pay Premium
- 3) Choose how you would like to pay: Bank Account Draft or Credit/Debit Card
- 4) You will be required to set up the account information
- 5) Please be sure to save your account information so you can use it for payment
- 6) Follow the prompts on the screens
- 7) Follow the prompts also to enter the payment
- 8) Please be sure to save your payment so it will post
- 9) For further instructions and assistance, please contact Medcom
- 10) Please allow up to 5 business days for your payment to be fully processed and posted
- 11) To check that your payment is pending, click on Scheduled Premium Payments

If you have any questions, please call (800) 523-7542 opt 3 or e-mail us at premiumbilling@medcombenefits.com.

Sincerely,

Medcom Benefit Solutions

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December 5, 2018

Sample Sampleton
Theresa Sampleton and Other Insured Dependents (if any)
1061 Riverside Ave
Jacksonville, FL 32204

FROM: Medcom Benefit Solutions the Plan Service Provider for 1 SampleDemo

RE: General COBRA Information for: 1 SampleDemo Health Plan

You are receiving this notice because you have recently become covered under one or more of the group health plans sponsored by 1 SampleDemo. No action is required unless you have a loss of coverage under the health plan.

1 SampleDemo has retained **Medcom Benefit Solutions** to provide assistance with their COBRA responsibilities. One of our tasks is to provide you with important information about your right to COBRA continuation of coverage under one or more of the group health plans named above. The information is intended to educate you about your COBRA rights and obligations in the event that you or one of your dependents loses coverage under one or more the plans. For simplicity, the remainder of this notice will refer to the above plans collectively as the "Plan".

While no action or response is required unless you or your dependent actually have a loss of coverage under our health plan(s), both you and your spouse should read the information carefully, and keep it with your records. If you experience a loss of coverage in the future, please refer to this overview for guidance about your rights and responsibilities.

Note: This notice does not fully describe continuation coverage under COBRA or other rights under the Plan and a more complete description can be found by contacting the Plan Administrator (identified below) and/or referring to the applicable health plan Summary Plan Description. There is a more detailed description of your rights under COBRA and the coverage under the Plan(s) under which you have become covered in the applicable Summary Plan Description(s).

This Notice provides a brief overview of your rights and obligations under the current COBRA law. The Plan (as outlined below) offers no greater COBRA rights than what the COBRA statute requires, and this Notice should be construed accordingly.

You may have other options available to you when you lose group health coverage. You may be eligible to buy an individual plan through the Health Insurance Marketplace. By enrolling in coverage through the Marketplace, you may qualify for lower costs on your monthly premiums and lower out-of-pocket costs. Additionally, you may qualify for a 30-day special enrollment period for another group health plan for which you are eligible (such as a spouse's plan), even if that plan generally doesn't accept late enrollees.

About the COBRA Law.

COBRA refers to a Federal law which applies to most employers who sponsor group health insurance plans for their employees and dependents. For COBRA purposes, a group health plan includes any major medical plan, dental plan, vision plan, health FSA, or any other employer sponsored group plan which provides medical care.

The law requires that employees and certain dependents (spouse and dependent children) who lose coverage under a group health plan must be given the opportunity to continue coverage on a temporary basis. The maximum length of time coverage may be continued depends upon the reason coverage is lost. An employee, spouse and/or dependent child who loses coverage as a result of a qualifying event is called a "Qualified Beneficiary".

COBRA Qualifying Events.

Listed below are "qualifying events" which result in the right to continue coverage under COBRA. Please note that the maximum period of time coverage can be continued depends on the type of qualifying event.

Eighteen (18) Month Maximum Continuation (experienced by a covered employee):

- 1.) Termination of Employment (for reasons other than "gross misconduct")
- 2.) Reduction of Work Hours

If you experience one of the events listed above, you and any other impacted qualified beneficiary will be notified of the right to elect continuation coverage.

Disability Extension to twenty-nine (29) months. This extension will apply when any Qualified Beneficiary is determined by the Social Security Administration to have been disabled at any time prior to the end of the first sixty (60) days of COBRA coverage resulting from a termination of employment or reduction of work hours, and continues to be disabled at the end of the initial 18 month period of coverage.

For the disability extension to apply, you must provide a copy of the SSA Determination of Disability letter within the 18 month COBRA period but no later than 60 days after the latest of: (1) the date of the SSA Determination of disability; (2) the date on which the qualifying event occurs; or (3) the date on which the qualified beneficiary loses coverage.

Second Qualifying Event Extension to thirty-six (36) months. If a Qualified Beneficiary experiences a second qualifying event during the 18 or 29 month COBRA continuation coverage resulting from termination of employment or reduction of work hours, then the spouse and dependent children will qualify for an extension of COBRA continuation coverage of up to 36 months from the original qualifying event. A covered employee or qualified beneficiary must provide notice of the second qualifying event within 60 days of the event in order to qualify for the extension. Events eligible for the extension of coverage are those listed below (but only to the extent that they would have caused a loss of coverage under the Plan if it was the initial qualifying event):

Thirty Six (36) Month Maximum Continuation (experienced by a covered spouse or dependent child):

- 1) Death of an Employee
- 2) Divorce or legal separation
- 3) Dependent child no longer meets the Plan's definition of a "dependent"

In addition, if you become entitled to Medicare and then experience a qualifying event or reduction in hours of employment within 18 months of the Medicare entitlement, the qualified beneficiary spouse and/or dependent children may elect to continue coverage for up to 36 months from the Medicare entitlement.

Your IMPORTANT Qualifying Event Notice Obligations.

If your spouse or dependent child loses coverage under the Plan because of divorce, legal separation, or your child no longer meets the Plan's definition of "dependent", then you, your spouse or dependent child must notify 1 SampleDemo of the loss. Written notice must be provided no later than sixty (60) days after the event or the date coverage terminates, whichever is later. It is mandatory that you use the enclosed notification form for this purpose. It can be mailed first class or faxed to 1 SampleDemo. A notification form is enclosed for this purpose. (Contact information is listed on the notification form and later in this document.) You may be required to provide additional information to support the qualifying event (e.g. a divorce decree, etc).

If 1 SampleDemo is provided timely notice of the divorce, legal separation, or a child's loss of dependent status, we will notify the affected Qualified Beneficiaries of the right to elect continuation coverage.

If 1 SampleDemo is not provided notice of the divorce, legal separation, or a child's loss of dependent status during this sixty (60) day period, COBRA continuation will not be offered. If any claims are mistakenly paid for expenses incurred after the divorce, legal separation, or a child's loss of dependent status, then you, your spouse and dependent children will be required to reimburse the Plan for any claims so paid.

If your spouse or dependent child loses coverage as a result of your death or your entitlement to Medicare, 1 SampleDemo will automatically notify your spouse, and dependent children of the right to elect continuation coverage.

Other Notification Requirements:

In order to protect your family's rights, you should notify the Plan Administrator, 1 SampleDemo, immediately when the name or address changes for you or any covered dependent. For your records, you should also keep a copy of any notices you send to the Plan Administrator.

COBRA Continuation Coverage:

If you lose coverage as a result of one of the qualifying events listed above, you may elect to continue the same coverage that you had immediately preceding the qualifying event; however, that continuation coverage is subject to changes made by the Employer to the same coverage maintained by similarly situated active employees. You have the same right to change your coverage that similarly situated active employees have (including any open enrollment rights to change coverage). Once you receive your election notice from the Plan Administrator, you have 60 days from the later of the date of the notice or the date coverage is lost as a result of the qualifying event to elect coverage. If you elect coverage you may be required to pay up to 102% of the applicable premium and possibly up to 150% of the applicable premium during a disability extension. The first premium is due 45 days after the date you make your election for coverage. All subsequent premiums are due the first day of the coverage period (with a 30 day grace period). Premiums are typically due on the first day of each month.

Other Coverage Options:

Instead of enrolling in COBRA continuation coverage, there may be other coverage options for you and your family through the Health Insurance Marketplace, Medicaid, or other group health plan coverage options (such as a spouse's plan) through a special enrollment period. Some of these options may cost less than COBRA continuation coverage. You can learn more about many of these options at www.healthcare.gov.

Plan Administrator.

1 SampleDemo is the Plan Administrator. All notices and other communications regarding the Plan and regarding COBRA must be directed to:

1 SampleDemo
Attn: Human Resource Administrator
1061 Riverside Avenue

Jacksonville, FL 32204

Fax:

For More Information.

If you have questions, or need additional information, you should contact the Plan Administrator, 1 SampleDemo, or the service provider, Medcom Benefit Solutions at:

Medcom Benefit Solutions
P.O. Box 10269
Jacksonville, FL 32247-0269
Phone: (800) 523-7542
Fax: (855) 263-1764
Email: premiumbilling@medcombenefits.com

Employee / Qualified Beneficiary

Notice of Qualifying Event to Employer / Plan Administrator

Date: _____

Attn: **1 SampleDemo**
Attn: Human Resources
1061 Riverside Avenue
Jacksonville, FL 32204

From: _____

This is my notice to you that the changes and/or events checked below have taken place. I understand that I must provide this notice no later than 60 days after the event or 60 days after the loss of coverage as a result of the change/event, if later. I understand that this notification is required in order to protect COBRA rights for all covered individuals listed below.

- Divorce/Legal Separation or other termination of marriage on _____.
- Dependent Child turning Age _____ on _____.
- Dependent Child is no longer a full time student as of _____.
- Other (please describe): _____

This change effects coverage under the following plans:

- Health Plan
- Dental Plan
- Medical Expense Reimbursement Plan
- Other: _____

This notice effects the following individuals (attach additional sheets if necessary):

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Name:	
Social Security #:	Date of Birth:
Mailing Address:	
City, State, Zip:	
Name:	
Social Security #:	Date of Birth:
Mailing Address:	
City, State, Zip:	

Signature: _____ Date of this Notice: _____

Printed Name: _____ Phone Number: (____) ____ - _____

Address: _____ City: _____ State: _____ Zip: _____