

# COBRA Compliance

## Are you in compliance with COBRA?

Do you have a COBRA Policies and Procedures Manual?

If your answer is no and you were to be audited by the IRS for COBRA, the first item they review is your COBRA Policies and Procedures Manual.

Do you send written Initial Notification of COBRA Rights and Obligations to all of your active employees and their spouses, at their last known home address (es), when they first became covered under group health plan?

Unfortunately if you have not mailed out the appropriate notice or cannot prove that you sent it to the last known home address of both the employee and spouse, then you can be held liable for penalties including the payment of otherwise un-covered medical claims.

Do you have trained staff available to answer COBRA questions?

If your answer is no, any inaccurate or inconsistent information you offer can result in liability and potential claims.

If you have ever refused a late COBRA election or payment, could you prove that it was late?

If you answer no, be aware that by not documenting late payments you are creating precedents which can result in additional claim liability.

Do you have a disaster recovery plan which would allow you access to your system and documentation following a fire, flood, or system crash?

It is imperative that you can produce documentation of your process and procedures as well as documents relating to your COBRA population.

Remember, the burden of proof falls on you.

If you answered "Yes" to all of these questions...

Congratulations, you have successfully completed the COBRA review by answering 5 out of 5 questions correctly. However, there are several additional areas not covered in this review that should be examined. Contact DAC for a more comprehensive evaluation.

If you answered "No" to one or more of these questions... this review has uncovered some areas where you could be exposing yourself to some potential liability.

DAC COBRA can help you get your company in compliance with this ever-changing and very complex law. Contact us to learn how we can help.

## DAC COBRA Services

Over 20 Notices that include the following:

- ◆ Initial (General) Notice
- ◆ Qualifying Event Notice
- ◆ HIPAA Certificate of Credible Coverage
- ◆ Annual WHCRA Notice
- ◆ Failure to Elect COBRA Notice
- ◆ Unavailability Notice
- ◆ Coupon Payment Books

Other Services:

- ◆ Proof of Mailing
- ◆ Takeover of Current COBRA Participants
- ◆ Confirm Elections with Carriers
- ◆ Confirm COBRA Terminations
- ◆ Administration of COBRA Participants
- ◆ Unlimited Reports
- ◆ Unlimited Customer Service
- ◆ Convenience of Service (*Phone – Mail – E-Mail – Fax*)
- ◆ Qualified COBRA Answers
- ◆ **PIECE OF MIND!**

## The DAC COBRA ADVANTAGE

The cost of the **DAC COBRA** service compared to the cost of employee time maintaining the COBRA system and answering COBRA questions, employee training, continuing education, paper costs, printing costs, mailing costs, and potential lawsuits, is one of the best investments an employer can make.

For instance, the Department of Labor just issued new COBRA changes that take affect this year. Do you know how the recent changes affect your company?