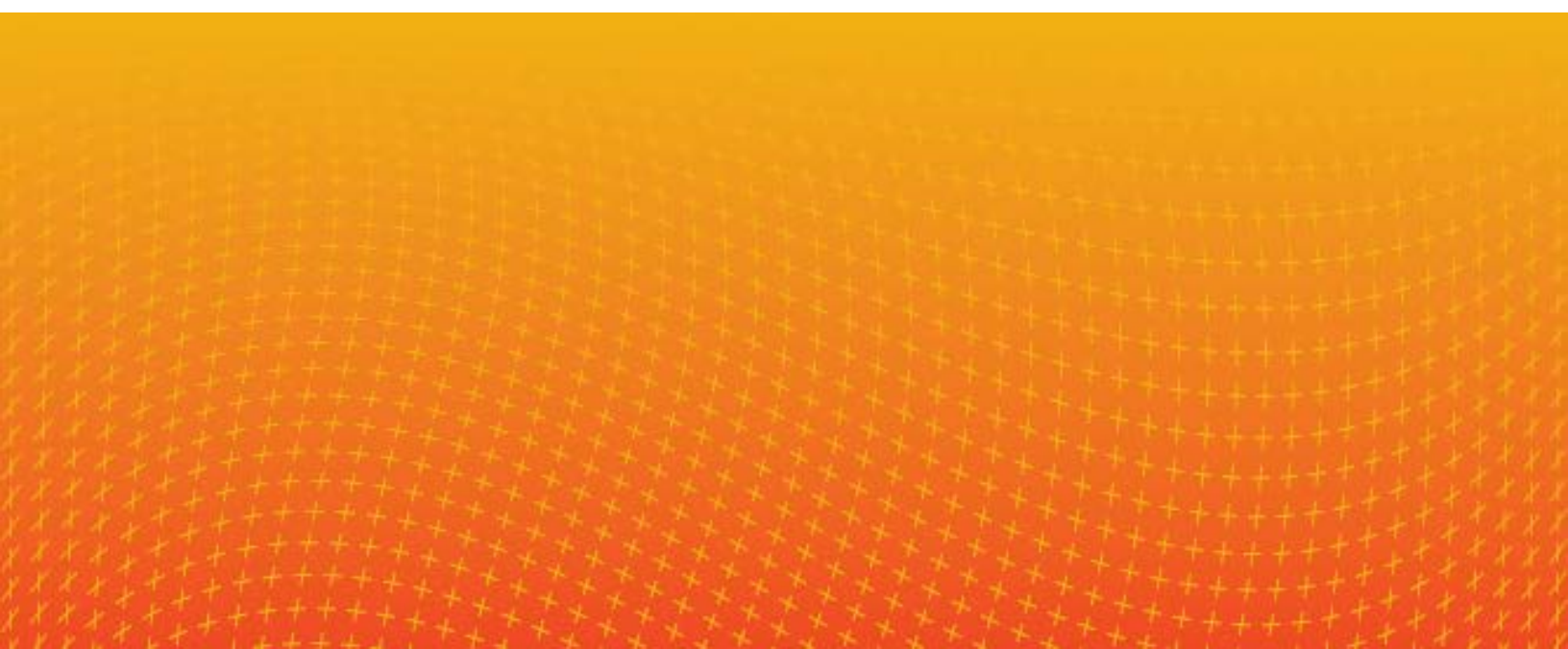




# COBRA and Direct Bill Services Administrative Processes Guide

*Client Guide for COBRA and Direct Bill Benefits Continuation*



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## About This Guide

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## Introduction

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The *WageWorks COBRA Client Guide* provides general information on the processes and procedures to be used in the administration of Consolidated Omnibus Budget Reconciliation Act (COBRA) services and describes how WageWorks COBRA Services (also referred to as “WageWorks” in this guide) administers these processes and procedures on behalf of our clients. It is not intended as a description of the COBRA regulations. Specific information on COBRA regulations can be found at either <http://www.dol.gov/dol/topic/health-plans/cobra.htm> or <http://www.irs.gov/>.

WageWorks provides a comprehensive team of professionals to support your COBRA administration needs. Included in this team are Operations, Client Services, and Qualified beneficiary Services. Additionally, WageWorks COBRA Services provides operational support, including an interactive voice response system, qualified beneficiary and client web access, and electronic submission of files from WageWorks’ Benefits Enrollment Services platforms.

*Note: If you have an existing file interface with WageWorks, your current submission methods will not be impacted.*

This guide provides information concerning the WageWorks COBRA service offerings. Some of these offerings are optional and are not provided to all WageWorks clients.

Any information provided in this guide is not intended to be and may not be used as legal advice. WageWorks does not engage in rendering legal services. The purpose of this document is to provide a general understanding of WageWorks’ COBRA administrative processes and is not intended to interpret or instruct clients on legal matters. If legal advice is desired or required, the services of legal counsel are recommended.

In addition, WageWorks may modify this guide from time to time as needed. Therefore, this document should not be interpreted as an indefinite promise or guarantee that WageWorks will not modify or otherwise change this guide or its’ processes in the future as needed.

## Audience for this Guide

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This guide is intended for use by client benefits administrators (also referred to as “clients” and “plan administrators” in this guide) who are responsible for working with WageWorks COBRA Services regarding the administrative aspects of COBRA plans for their company.

This guide does not include procedures for using specific applications and is not intended to be a tutorial or “user guide.”

## What's in This Guide

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This guide covers the following topics:

“Understanding WageWorks’ Interaction with You” describes your responsibilities as client and plan administrator for COBRA services.

“Understanding Your Options for Additional COBRA Services” describes your options for additional COBRA services.

“Understanding WageWorks’ Interaction with Your COBRA Qualified Beneficiary” describes a COBRA qualified beneficiary’s experience with WageWorks.

## Related Documentation

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This guide, available on [BeneDirect Client View](#), addresses the administrative tasks related to the services provided by WageWorks COBRA Services. The *WageWorks COBRA Client Web Guide*, also available on the website, provides detailed instructions for using the website.

## Documentation Conventions

Table 1 describes the documentation conventions used in this guide.

Table 1. Documentation Conventions










Documentation Convention	Description
<b>Bold</b>	In procedures, user interface items that you select, click, or enter information for are shown in bold. For instance, tab names, buttons, and field names.
Command	Indicates that you should type the command on your computer.
	Signifies important additional information.
	Signifies <i>very</i> important additional information.
	Identifies helpful—but not necessary—information.
	Signifies that a failure to follow the recommended procedure could result in a loss of data or could result in the product not performing properly.
	Used to indicate either of the following: <ul style="list-style-type: none"> <li>You can find additional information in the online Help</li> <li>You can find additional information on interface shortcuts and tips in the user's guide.</li> </ul>
<b>Company Definitions ~ Organization Definitions</b>	At the beginning of a procedure, shows the path or navigation to a process or task.
People ~ Personnel Actions ~ Change Employee's Job/Position ~ Change Job Position	Within text, shows the path or navigation to a process, task, or tab.
 What's next	Indicates that you have reached the end of one step in a multiple-step process. Instructions are given after this convention to help you find the next step in the process and other related information.

Table 1. Documentation Conventions (cont.)

Documentation Convention	Description
 <b>End of procedure</b>	<p>Indicates that you have reached the end of a procedure. If additional information is available, it is noted after this convention.</p>
 <b>More info</b> For a description of the fields on this tab, press F1.	<p>Indicates where you can find a complete description of every field on a tab.</p> <p>This convention is placed either to the left or, less often, to the right of a screen illustration.</p>
 <b>Tasks</b>  <b>MULTI-STEP PROCESS</b>  First step in process  Second step in process  <input checked="" type="checkbox"/> <b>Third step in process</b>	<p>Lists each step in a multi-step process, and indicates which step the current section is documenting.</p> <p>In this example, the third step is currently being documented. Note that this step is highlighted in bold and is preceded by a check mark.</p> <p>If you are viewing an online manual, click the highlighted text to jump to the desired section.</p>

## Providing Comments

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We welcome your comments and suggestions about this guide. You can provide comments by giving feedback to your WageWorks Client Service Team.

## Understanding WageWorks' Interaction with You

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## Introduction

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This chapter describes your role as your plan's COBRA plan administrator and WageWorks' interaction with you. It contains the following sections:

- Using BeneDirect Client View
- Providing Qualifying Event Data to WageWorks COBRA Services
- Reviewing Life Status Change Requests
- Providing Plan or Rate Updates to WageWorks COBRA Services
- Updating Plan Administrator Information
- Updating Your Contact Information
- Reviewing WageWorks Reports
- Understanding the COBRA Review Process
- Understanding the Request for Refund Process
- Understanding the Returned Mail Process

## Using BeneDirect Client View

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[BeneDirect Client View](#) is a WageWorks website that you can use to complete many of the tasks you need to perform as a COBRA plan administrator.

This section contains the following topics:

- Accessing the Website
- Performing Tasks
- Contacting WageWorks

### Accessing the Website

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To access the website, click [BeneDirect Client View](#) and enter the user ID and password provided to you by WageWorks.

Your password will be active for 180 days. Upon password expiration, the COBRA website will automatically prompt you to change/update your password for continued access to the system.



If you didn't receive a user ID and password or if you've forgotten it, please contact WageWorks Client Service Team.

### Performing Tasks

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Depending on your BeneDirect security settings established by your account's Master User, you may be able to perform the following tasks on [BeneDirect Client View](#):

- Providing Qualifying Event Data to WageWorks COBRA Services
- Providing Plan or Rate Updates to WageWorks COBRA Services
- Reviewing WageWorks Reports
- Accessing tools, forms, and information any time
- Accessing print and mail dates for COBRA-related correspondence
- Viewing qualified beneficiary information, including current status, health plan elections, and paid through date
- Requesting an additional General Notice
- Requesting urgent coverage updates (if this feature is included in your Client Service Agreement)
- Assigning and maintaining website access for other people in the organization, if you are a Master User for your account.



If you didn't receive a user ID and password or if you've forgotten it, please contact WageWorks Client Service Team.

## Contacting WageWorks COBRA Services

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You can contact WageWorks by:

- Entering a request on [BeneDirect Client View](#)
- Emailing your designated WageWorks Client Service team
- Calling WageWorks COBRA Services during normal business hours

## Providing Qualifying Events Data to WageWorks COBRA Services

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This section describes how and when to provide qualifying event data to WageWorks for your qualified beneficiaries. For information on what WageWorks does with the information you provide, see “WageWorks Mails Election Notice to Qualified Beneficiary” on page 34.



If you didn't receive a user ID and password or if you've forgotten it, please contact WageWorks Client Service Team.

A *qualifying event* (QE) is any of a set of specified events that occurs and causes a covered employee — or the covered spouse or dependent child of the covered employee — to lose coverage under a group health plan.

The following are COBRA-specified qualifying events:

- Termination of employment
- Reduction in work hours
- Death of employee
- Divorce or legal separation
- Loss of dependent status
- Medicare entitlement for the covered employee
- Bankruptcy

A *qualified beneficiary* (QB) is an individual (employee, spouse, or dependent child) who was covered under a group health plan the day before a qualifying event occurred.

This section contains the following topics:

- When to Provide Qualifying Event Data to WageWorks COBRA Services
- Reviewing Life Status Change Requests
- How to Provide Qualifying Event Data to WageWorks COBRA Services
- How WageWorks Administers a Severance Agreement
- How WageWorks Administers a Subsidy Agreement
- How WageWorks Administers a Flexible Spending Account
- How WageWorks Administers a Health Reimbursement Arrangement (HRA)

## When to Provide Qualifying Event Data to WageWorks

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When the employer and plan administrator are one entity, notice of a qualified beneficiary's COBRA rights must be provided within 44 days.

When the employer and plan administrator are separate entities, the employer is obligated to notify the plan administrator when a qualifying event has occurred within 30 days of the event, and the plan administrator must provide a qualified beneficiary with notice of his or her COBRA rights within 14 days. It is important to note that WageWorks COBRA Services is not the plan administrator but acts as a third-party processor, facilitating services on your behalf.

A qualified beneficiary must provide notification to the plan administrator of loss of dependent status, divorce, or legal separation within 60 days of the date of the qualifying event or the date on which the qualified beneficiary would lose coverage because of the qualifying event, whichever comes last.

It is the employer/plan administrator's responsibility to provide WageWorks COBRA Services with the qualifying event data in a timely manner. This information may be provided via an electronic feed from WageWorks' Health & Welfare Services or another third party benefits vendor, direct input to BeneDirect, or another data transmission channel. However, WageWorks COBRA Services cannot initiate the qualifying event notification without all relevant data elements.

Processing qualifying events may differ based on the suite of services purchased by your employer. Please contact your WageWorks Client Service team for specifics of how your data should be reported to WageWorks COBRA Services.



For Annual Enrollment, WageWorks COBRA Services may support a default process based on the client's business rules.

## Reviewing Life Status Change Requests

A qualified beneficiary can request a change of coverage by notifying WageWorks and providing documentation for any of the following life status changes:

- Marriage – valid marriage certificate
- Birth – valid birth certificate
- Adoption – valid adoption paperwork
- Divorce/Legal Separation – upon notification from the covered employee. A copy of divorce decree is no longer required.

Table 2 describes two possible life status change request scenarios.

**Table 2. Life Status Change Request Scenarios**

Scenario	Description	Example
Qualified beneficiary notifies WageWorks within 30 days of the date of the event	WageWorks processes the request and adds the new spouse or child to the COBRA account.	<ul style="list-style-type: none"><li>• A qualified beneficiary is married on January 2 and notifies WageWorks to add the new spouse to their COBRA coverage on January 31.</li><li>• A qualified beneficiary has a new baby on April 17 and notifies WageWorks to add the child to their COBRA coverage on May 5.</li></ul>
Qualified beneficiary notifies WageWorks beyond 30 days after the date of the event	WageWorks requests guidance from the client.	<ul style="list-style-type: none"><li>• A qualified beneficiary is married on January 2 and notifies WageWorks to add the new spouse to their COBRA coverage on February 28.</li><li>• A qualified beneficiary adopts a child effective April 17 and notifies WageWorks to add the new child to their COBRA coverage on 6/30.</li></ul>

### What's Next


You have finished reviewing life status change requests. The next section describes how to provide qualifying event data to WageWorks.

## How to Provide Qualifying Event Data to WageWorks

You can provide qualifying event data to WageWorks for one or more qualified beneficiaries using any of the following methods.

Table 3 describes the methods for providing data to WageWorks.

**Table 3. Methods for Providing Data**

Method	Description
BeneDirect Client View	The fastest way to provide QE data to WageWorks is by accessing <a href="#">BeneDirect Client View</a> and clicking the <b>Client Transmittal</b> link.
COBRA/Direct Bill Transmittal Form (CTF)	If, for any reason, you can't use the website, you can provide QE data by obtaining a COBRA/Direct Bill Transmittal Form (CTF) from WageWorks COBRA Services, filling it out, and returning the completed form to WageWorks via email at <a href="mailto:cobraevent@wageworks.com">cobraevent@wageworks.com</a> (preferred method) or by faxing it to the number indicated on the form.
Electronic Data Interchange File (If Configured)	<p>If you are configured for Electronic Data Interchange (EDI), you can submit QE data to WageWorks through an EDI file.</p> <p> You can also use a combination of EDI and the website to submit your data (for example, routine transmission by EDI and case-by-case entries through the website).</p>

## How WageWorks Administers a Severance Agreement

Your plan may include an agreement whereby a qualified beneficiary does not lose coverage until some specified duration of time after the qualifying event. Although the loss of coverage does not occur at the time of the qualifying event, generally the plan administrator is still responsible for providing a COBRA Election Notice to all qualified beneficiaries. Because these types of agreements are commonly part of a Severance agreement, WageWorks refers to this type of arrangement generically as *severance*. WageWorks can process a severance period that runs concurrently with the COBRA period or a severance period that runs consecutively in addition to the COBRA period.

Note: WageWorks manages the concurrent severance period by sending the COBRA qualified election notice at the end of the severance period. For consecutive severance processing, the applicable QE date must be reported to WageWorks by the client.

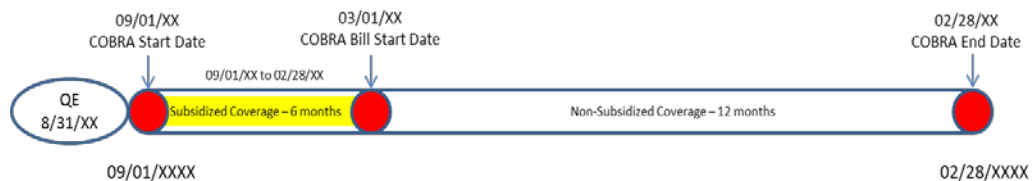
## Concurrent Severance Period

Qualified beneficiaries must be notified of their COBRA eligibility based on the date of the Qualifying Event (QE). When submitting a QE to WageWorks where a Severance period is to run concurrently with the COBRA period, you will need to report the following data to WageWorks:

- Date of qualifying event
- Date Active coverage will end
- Date severance period begins (usually the day after the QE)
- Date severance period ends

Figure 1 illustrates the concurrent severance period.

**Figure 1. Concurrent Severance Period**



You should be aware of the following information as it applies to a severance that runs concurrent with the COBRA period:

- Notifying WageWorks - You should provide notice of the QE to WageWorks within 30 days of the QE to ensure a COBRA election is mailed within the required 44 day notification period.
- Continuation of Coverage – As stipulated by your agreement, qualified beneficiaries remain covered for the same benefit plans in effect prior to the qualifying event for a specified period of time (severance period), regardless of whether or not they ever elect COBRA
- Duration of Continuation Coverage - The continuation of coverage during the severance period is not in addition to the maximum COBRA period. The two periods run concurrently. For example, when the active coverage is continued during a 6-month severance period, coverage could be continued under COBRA for up to 12 months (assuming an 18-month COBRA period). Election Period – The COBRA election period generally extends 60 days past the Election Notice mail date or the loss of coverage date, whichever comes last. Should a qualified beneficiary wish to continue the same or a lesser coverage level beyond the severance period, the qualified beneficiary must elect COBRA before the election period expires. The lesser coverage will begin the first day following the severance period expiration.
- Eligibility Reporting – Because the qualified beneficiary is covered under the active employee benefit plan during the severance period and still administered by the active benefits provider, WageWorks does not report eligibility to the carrier or employer during the severance period, as applicable. WageWorks reports eligibility only when the

qualified beneficiary elects and pays for COBRA coverage within the COBRA grace dates.

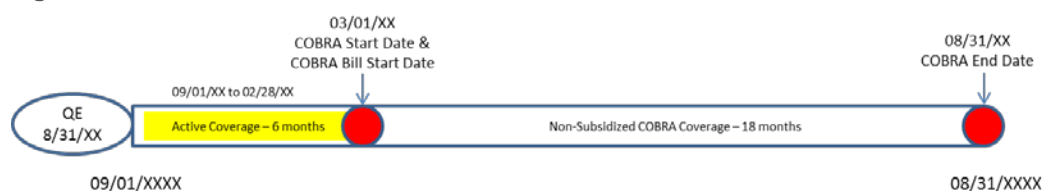
- **Qualified Beneficiary Billing** – Because the qualified beneficiary is covered under the active employee benefit plan during the period of severance and still administered by the active benefits provider, WageWorks does not generate qualified beneficiary billing during the severance period. WageWorks only generates qualified beneficiary billing for COBRA coverage.

## Consecutive Severance Period

When submitting a QE to WageWorks where a severance period is meant to be in addition to the COBRA period, you will need to report the date of the QE to WageWorks.

Figure 2 illustrates the additional severance period.

**Figure 2. Consecutive Severance Period**



You should also be aware of the following information as it applies to a severance you wish to be in addition to the COBRA period:

- **Notifying WageWorks** – You should provide notice of the QE to WageWorks within 30 days of date you reported as the QE date to ensure compliant and timely processing of the event.
- **Continuation of Coverage** – As stipulated by your agreement, qualified beneficiaries remain covered under active employee benefits after the qualifying event for a specified period of time (or severance period), regardless of whether or not they ever elect COBRA.
- **Duration of Continuation Coverage** – The continuation of coverage during the severance period is in addition to the maximum COBRA period. For example, when the active coverage is continued during a 6-month severance period, coverage could be continued under COBRA for up to 18 months (assuming an 18-month COBRA period).
- **Election Period** – The COBRA election period is typically 60 days, measured from when notice of COBRA rights is provided or the date of loss of coverage under the active plan, whichever comes last.
- **Eligibility Reporting** – Because the qualified beneficiary is covered under the active employee benefit plan during the severance period and still administered by active benefits provider, WageWorks COBRA Services does not report eligibility during the severance period. WageWorks COBRA Services reports eligibility only when the qualified beneficiary elects and pays for COBRA coverage within the COBRA grace dates.

- Qualified Beneficiary Billing – Because the qualified beneficiary is covered under the active employee benefit plan during the period of severance and still administered by the active benefits provider, WageWorks COBRA Services does not generate qualified beneficiary billing during the severance period. WageWorks COBRA Services only generates qualified beneficiary billing for COBRA coverage.

## How WageWorks Administers a Subsidy Agreement

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Your plan may include an agreement to reduce all or a portion of the COBRA premiums for a specified duration of time. WageWorks refers to this type of arrangement as a *subsidy*. When submitting a QE to WageWorks where a subsidy is included, you will need to report the items below in addition to the “standard” QE data:

- Amount of COBRA subsidy (this can be a percentage or dollar amount). A percentage will be calculated on premium increases during new plan years or special enrollment periods where rates may change. Flat dollar amounts will remain in force until modified by the client.
- Date subsidy begins and ends (concurrent with COBRA coverage)
- Plans and/or coverage to be subsidized

You should also be aware of the following information as it applies to subsidies:

- Continuation of Coverage – If a qualified beneficiary wishes to continue coverage, he or she must elect or have COBRA coverage elected on their behalf. In the event the subsidy does not cover the full cost of elected coverage, the qualified beneficiary must remit full payment for the balance of premiums within the grace period (no later than 30 days from the coverage due date) in order for COBRA coverage to be effective.
  - Note: WageWorks COBRA Services does not recognize separate payments for each of the elected COBRA coverages. If a qualified beneficiary desires to drop any of the elected coverages during the subsidy continuation period, the qualified beneficiary must contact WageWorks COBRA Services to request termination of the specific benefit in order to avoid potential termination of all COBRA continuation coverage.
- Eligibility Reporting – WageWorks reports eligibility during the subsidy period if COBRA is elected.
- Qualified Beneficiary Billing – WageWorks generates qualified beneficiary billing during the subsidy period. Depending on the client's configuration, qualified beneficiaries may or may not be mailed coupons reflecting \$0.00 balances. If all plans are not subsidized (ex. Medical is subsidized, but Dental is not) the full payment must be received by the grace date or all coverage will be terminated.
- Election Period – The COBRA election period extends 60 days past the election package mail date or the loss of coverage date, whichever comes last.
- Subsidized rates are displayed on the Election Notice as well as the qualified beneficiary billing.
- WageWorks retains the administrative fee from the premium disbursement even when rates are subsidized by the client (refer to your contractual agreement for more details).

## How WageWorks Administers a Flexible Spending Account

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In situations involving loss of coverage under a health care Flexible Spending Account (FSA), the employer is responsible for notifying WageWorks of the following information:

- Qualifying events, including Divorce and Loss of Dependent status events
- Names of qualified beneficiaries
- Length of coverage (not available on BeneDirect, EDI file and manual submission only). In most instances, FSA COBRA continuation is only offered through the end of the plan year in which the QE occurs so WageWorks will run a default process to control this provision if the end date is not provided by the client.
- Amount of monthly premium to be charged

## How WageWorks Administers a Health Reimbursement Arrangement (HRA)

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In situations involving loss of coverage under a Health Reimbursement Arrangement (HRA), the employer is responsible for notifying WageWorks of the following information:

- Qualifying events, including Divorce and Loss of Dependent status events
- Names of qualified beneficiaries
- Length of coverage (not available on BeneDirect, EDI file and manual submission only).
- Amount of monthly premium to be charged



### What's Next

You have finished providing QE data to WageWorks. The next section describes how to provide plan or rate updates to WageWorks.

## Providing Plan or Rate Updates to WageWorks COBRA Services

---

At some point during the calendar year, you may experience changes to your group health plans that need to be communicated to WageWorks COBRA Services. Changes such as dropping, adding, or modifying plans or rate changes can impact your active employee base and COBRA qualified beneficiaries. You are responsible for submitting any plan or rate

change to WageWorks COBRA Services at least 60 days prior to the effective date of the change.

WageWorks COBRA Services does not process retroactive rate changes. Any rate changes that are not prospective will cause administrative issues for the qualified beneficiary billing cycle. Failure to submit plan-related adjustments in a timely manner can result in additional late fees. If you need to update plans or rates for annual enrollment after the effective date of the new plan year, a late fee of \$250.00 *per plan* will be assessed and the rates will be applied prospectively.

Your COBRA plan or rates are initially set up by WageWorks during implementation. However, if you need to change your plan or rates during the twelve-month determination period, you should communicate those changes to WageWorks in a timely manner through [BeneDirect Client View](#) or provide them to your WageWorks Benefits Enrollment Services client services representative. We encourage you to confirm your company's plans and rates for both active and COBRA populations at least annually and in advance of the next plan year.

Changes that you may need to communicate to WageWorks include:

- Plan eligibility rules (zip-code based, dependencies with other plans, and so on)
- Adding or continuing plans for the new plan year
- Rates for the new plan year
- Tier changes, if applicable
- Updating plan contacts for new and existing plans
- Updating payment and reporting schedules and payees
- Updates to carriers
- Effective date of change
- Extend-to-end or per diem - WageWorks can accommodate situations where loss of coverage is effective either on the day following a qualifying event (per diem) or the month following a qualifying event (extend-to-end)



### What's Next

You have finished providing plan or rate updates to WageWorks. The next section describes how to update ERISA plan administrator information.

## Updating Plan Administrator Information

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During implementation, you provided plan administrator information for WageWorks to include on qualified beneficiary communications. It's important to communicate any changes to the following information to WageWorks:

- Name and Plan Number, if one has been assigned, of your company's group health plan(s). This information should match the ERISA plan information filed on the company's IRS Form 5500. Even if you do not file a Form 5500, for instance in the case of healthcare Flexible Spending Accounts, you may have assigned a plan number for other administrative reasons.
- If you maintain multiple group health plans for purposes of continuation of coverage, please contact your WageWorks COBRA Services representative for additional instructions.
- Name, address, e-mail information and telephone number of plan administrator

WageWorks COBRA Services uses this data to create the Election Notices and General Notices that we mail to your covered employees and COBRA qualified beneficiaries.



What's Next

You have finished updating Plan Administrator information. The next section describes how to update your Contact information.

## Updating Your Contact Information

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Unless specified differently in your contract, access to WageWorks' Client Services and return communication from WageWorks must be through a single point of contact at the client, either an individual or defined group of individuals, who is authorized on behalf of the client to give plan administrative direction. For clients who use the multiple division capabilities of our CASPro system, these individual groupings are for outgoing reporting purposes only and do not constitute individual points of contact for purposes of engaging WageWorks for plan administrative changes, transaction processing, or information requests. You are responsible for ensuring that WageWorks COBRA Services has the correct and current contact period. WageWorks relies on this information to communicate with you regarding WageWorks COBRA Services.

You can view your current contact information on [BeneDirect Client View](#).



What's Next

You have finished updating your Contact information. The next section describes how to review WageWorks reports.

## Reviewing WageWorks' Reports

WageWorks generates various reports on a standard schedule as defined at implementation to aid in the administration of COBRA continuation. You are responsible for reviewing the reports for accuracy and immediately notifying WageWorks if you identify a problem. WageWorks COBRA Services assumes the accuracy of the information unless otherwise instructed noted. You can download any of the following reports from the Reports tab on [BeneDirect Client View](#):

Current Status Report	Identifies qualified beneficiaries who are currently active on COBRA, currently in their election period, or who have terminated coverage.
New Election Report	Lists qualified beneficiaries who have elected COBRA and made their first payment.
Termination Report	Lists active qualified beneficiaries who have terminated coverage for any reason. Use this report as the basis for updating your carrier for eligibility and enrollment.
Activity Report	Identifies qualified beneficiaries with changes during the last biweekly reporting cycle. Changes may include address update, name changes, plan transfers, status changes, and/or corrections as requested by the client or qualified beneficiary.
Premium Distribution Report	Lists the premium amount received for a specified period by qualified beneficiary and plan. The information contained on a PDR is generated from premium amounts received and applied during the previous period.
Invoice Detail Report	Available only upon client request. Lists client and covered employee service activity for any given time period.
WageWorks Health Compliance	Monthly data file (.txt format) with a year-to-date list of COBRA/Direct Bill participants and dependents. The information contained in this data file is to aid the employer with their annual ACA reporting.



### What's Next

You have finished reviewing WageWorks reports. The next section describes the COBRA Review/Appeals process.

## Understanding the COBRA Review/Appeals Process

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WageWorks receives an initial request for reinstatement of COBRA coverage and completes an administrative review (also referred to as a first level review) of the qualified beneficiary's record to verify administratively that the termination of coverage was appropriate. The initial request for reinstatement is typically denied if there is no evidence of administrative error and a letter referencing the pertinent guidelines or provisions is mailed to the qualified beneficiary.

As the plan administrator, you are responsible for making decisions on all COBRA appeals that are referred for review. For those reviews, WageWorks COBRA Services will gather all information and documents pertinent to the denial or termination. Once all information and pertinent documents have been gathered, WageWorks COBRA Services will provide a written summary of the factual findings.

For second level reviews, or when the qualified beneficiary expresses **extenuating circumstances** in the initial request (e.g. death of an immediate family member, medical incapacitation, hospitalization, natural disasters, house fire, catastrophic sudden illness/injury), WageWorks COBRA Services will send a summary to you, as the Plan Administrator, for approval or denial within thirty (30) days of receipt by WageWorks COBRA Services of the appeal request. You must respond in writing to WageWorks COBRA Services following the complete review of the pertinent material approving or denying the request.

Upon receipt of your decision, WageWorks COBRA Services provides written notice to the qualified beneficiary unless you otherwise direct WageWorks COBRA Services that you will notify the qualified beneficiary directly. If the initial review is denied or termination is confirmed in the second review, the notice will advise of the denial and reference any pertinent guidelines or provisions on which such denial was based. If you decide to reinstate continuation coverage for the qualified beneficiary, the notice instructs the qualified beneficiary to send the applicable premium to WageWorks COBRA Services within the standard billing grace dates. You may specify that a different payment grace date be provided when approving the reinstatement.

If you do not respond to WageWorks' inquiry on a second-level appeal, WageWorks will direct the qualified beneficiary who submitted the appeal to contact you directly.



Appeals related to electing COBRA that include circumstances that may require a tolling period will be sent to the client for review and, if reinstatement is approved, the client will be asked to provide direction to WageWorks COBRA Services regarding the time frame for the qualified beneficiary to make a COBRA election.

In addition to the appeals outlined above, requests for review of 11-month extension denials as well as Annual Enrollments are also processed.

A qualified beneficiary may request a review of a denial issued for the 11-month extension due to disability. Under COBRA regulations, an extension of 11-months is available for those Qualified Beneficiaries deemed disabled by the Social Security Administration due to disability (under Title XIV or XVI of the Social Security Act). The provisions set-forth by COBRA, the 18 month COBRA period may be extended for up to eleven months, if:

- the qualified beneficiary is determined under the Social Security Act to have been disabled at any time during the first 60 days of COBRA coverage *and*
- notification is provided to the Plan Administrator of the disability determination prior to the last day of the initial 18 month COBRA coverage period *and*
- is within 60 days if the latest occurring event listed:
  - the date on which the qualifying event occurred;
  - the date coverage was lost; or
  - the date the qualified beneficiary was informed of the responsibility and procedures for informing the plan of the disability determination.

When 11-month extensions are denied based upon either not meeting one or more of the above provisions or perhaps not receiving the necessary information required to make a determination for eligibility, can be appealed by the qualified beneficiary. This type of review request is referred to you for your review and decision by providing them with the documentation received, as well as advising them of the reason for the extension denial.

Annual Enrollment (AE) requests for reviews are referred to you when an active AE period has occurred, in which the selection for the next plan year's benefits was either not received or was received after the deadline for selection of benefits. In addition, it may include requests to change the AE selection after the deadline. In any case, these types of requests for review are also referred to you for review and a decision. Documentation received along with the appeal correspondence is sent to you.

Requests for review of denials of the 11-month extension and issues related to Annual Enrollment are automatically referred to you for determination. Upon receipt of your decision, notice is sent to the qualified beneficiary advising of whether the appeal was approved or denied and any necessary changes to the qualified beneficiary's account are made.



### What's Next

You have finished understanding the COBRA review process. The next section describes the request for refund process.

## Understanding the Request for Refund Process

When COBRA coverage for a qualified beneficiary has been terminated for any reason (including failure to pay on time, insufficient payment, or a specific request for termination), WageWorks will provide a refund of the associated balance based on the following criteria.

Table 4 describes WageWorks' criteria for issuing a refund.

**Table 4. Refund Criteria**

Criteria	Example	Refund
When a request for a refund for a previously paid COBRA premium is received prior to commencement of coverage due to the termination of an individual's COBRA coverage, a refund would be issued.	If a qualified beneficiary paid for the month beginning October 1st and requests a refund on September 25th (which is prior to the commencement of the October coverage), a refund would be issued.	Approved
When a qualified beneficiary requests a refund for a COBRA premium paid for a month of coverage that has already begun, the request for a premium refund would be denied.	If a qualified beneficiary paid for the month beginning October 1st and requests a refund on October 5th, a refund would be denied.	Denied
If a qualified beneficiary requests a review of the denial, the requested review is forwarded to you for review and decision. If you approve the qualified beneficiary's request, WageWorks issues a refund of the COBRA premium as directed.	When a COBRA premium is refunded, coverage is terminated in WageWorks' records as of the first day of the coverage period (month) for which the refunded COBRA premium was originally submitted by the qualified beneficiary.	Refund Request Referred to You



### What's Next

You have finished understanding the request for refund process. The next section describes the WageWorks COBRA returned mail process.

## Understanding the Returned Mail Process

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### General Notices

In the event that a general notice is not deliverable by the post office, any undeliverable mail will be routed back to the client, who is then responsible for following up to ensure delivery of the general notice as required by law.

### Election Notices

Currently, when COBRA correspondence is sent to a qualified beneficiary with an undeliverable address, it is returned to WageWorks. WageWorks will then send you a notification stating that the notice was undeliverable and will request the qualified beneficiary's correct address. This notification is sent to the Primary Client Contact noted in CASPro.

However, if the Primary Contact is not the correct contact, you may choose to designate a contact, other than the Primary contact, with specific instructions in writing. The notifications will be sent via e-mail to the person you designate.



### What's Next

You have finished understanding the returned mail process. You have finished understanding your responsibilities as a plan administrator.

## Understanding Your Options for Additional COBRA Services

<u>Page</u>	<u>Topic</u>
29	Introduction
29	Understanding Your Configuration Options
30	Understanding the General Notice Service

## Introduction

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This chapter describes your options for obtaining additional COBRA services in the following sections:

- Understanding Your Configuration Options
- Understanding the General Notice Service

## Understanding Your Configuration Options

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WageWorks COBRA Services can set up the following configuration options for you at any time.

Table 5 describes your configuration options.

**Table 5. Configuration Options**

Options	Description
Termination Based on Medicare	<p>When a COBRA qualified beneficiary reaches age 65 after the date of their COBRA election, WageWorks terminates the COBRA coverage unless otherwise directed by you. Generally, the COBRA qualified beneficiary becomes eligible for Medicare due to age, at which time WageWorks notifies the qualified beneficiary through an Early Termination Letter that their COBRA benefits will be terminated due to Medicare Entitlement.</p> <p>If the qualified beneficiary notifies WageWorks that he or she has not become entitled to Medicare, WageWorks reinstates COBRA coverage retroactively to the termination date. You may decide to offer dental, vision, and/or prescription coverage to Medicare-eligible qualified beneficiaries until the end of the COBRA coverage period. Additionally, an employer may choose to allow a qualified beneficiary to remain on COBRA while covered under Medicare.</p>
Social Security Disability Admin Fees	<p>This premium amount is charged when a qualified beneficiary has been deemed disabled by the Social Security Administration within the first 60 days of their COBRA period. WageWorks can configure our COBRA billing system for any percentage up to 150%. For employers who elect to bill up to 150% of the premium amount during the 19th through 29th month of COBRA, WageWorks distributes the balance as directed by you and retains the 2% administration fee.</p>

Table 5. Configuration Options (cont.)

Options	Description
Multiple Coupons	WageWorks can provide coupons in groups of 3 months, 6 months, or 12 months at one time to your qualified beneficiaries at your request.
No Mailing of Zero Coupons	WageWorks can configure our COBRA billing system to not mail zero balance coupons at your request.
Viewing Social Security Numbers	WageWorks' Global Security protocols require our COBRA billing system to mask Social Security Numbers. In certain circumstances, WageWorks may allow SSN un-masking for specific users or reports.
Per Diem Versus Extend-to-End	WageWorks can configure our COBRA billing system to initiate the COBRA period on the day following a qualifying event (per diem) or on the first of the month following a qualifying event (extend-to-end).



## What's Next

You have finished understanding your configuration options. The next section describes the General Notice service.

## Understanding the General Notice Service

A General Notice (often referred to as a New Hire Notification or an Initial Rights Notice) must be provided to a covered employee and his or her spouse at the time each first becomes covered under a group health plan (not at the time of hire). You are responsible for notifying WageWorks that a General Notice needs to be sent through [BeneDirect Client View](#) or by Electronic Data Interchange (EDI).

WageWorks provides two optional services for General Notice of COBRA Rights for an additional fee:

- Active Population General Notice (when covered)
- Catch Up General Notice (by blanket mailing)

The General Notice is a standard template format based on the DOL model notice and is not subject to client customization. It will include all eligible group health plans maintained in WageWorks COBRA Services system. Unless instructed by you, WageWorks will not send out a second notice when the covered employee and their spouse elect a different group health plan at a later date.

Note: Currently, all COBRA communications are produced in English only.

## Active Population General Notice

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Once WageWorks is notified that a newly eligible employee or spouse has become covered under your COBRA plan, WageWorks mails a General Notice to the covered employee and/or spouse at the address(es) you provide. A separate letter is provided to the spouse if he or she lives at a separate address or first becomes covered at a different time from the employee.

## Catch Up General Notice

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WageWorks offers you the opportunity to have the General Notice mailed to each covered employee and covered spouse who is already enrolled in the client's plan(s). WageWorks offers this service to assist you in satisfying the requirement to provide qualified beneficiaries with a General Notice of COBRA Rights. Notices can be mailed at the time the organization becomes a WageWorks COBRA Services client or on an as-needed basis.



What's Next

You have finished understanding the General Notice service.

## Understanding WageWorks' Interaction with Your COBRA Qualified Beneficiary

<u>Page</u>	<u>Topic</u>
33	Introduction
33	WageWorks and Qualified Beneficiary Interaction Diagram
35	WageWorks Mails Election Notice to Qualified Beneficiary
36	Qualified Beneficiary Elects COBRA?
37	WageWorks Mails Coupon to Qualified Beneficiary
37	Qualified Beneficiary Pays?
39	Coverage Continues?
40	Qualified Beneficiary Requests a Change of Coverage
43	Qualified Beneficiary Appeals?
46	How a Qualified Beneficiary Can Contact WageWorks

## Introduction

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This chapter describes a COBRA qualified beneficiary's experience with WageWorks in the following sections:

- WageWorks and Qualified Beneficiary Interaction Diagram
- WageWorks Mails Election Notice to Qualified Beneficiary
- Qualified Beneficiary Elects COBRA?
- WageWorks Mails Coupon to Qualified Beneficiary
- Qualified Beneficiary Pays?
- Coverage Continues?
- Qualified Beneficiary Requests a Change of Coverage
- Qualified Beneficiary Appeals?
- How a Qualified Beneficiary Can Contact WageWorks

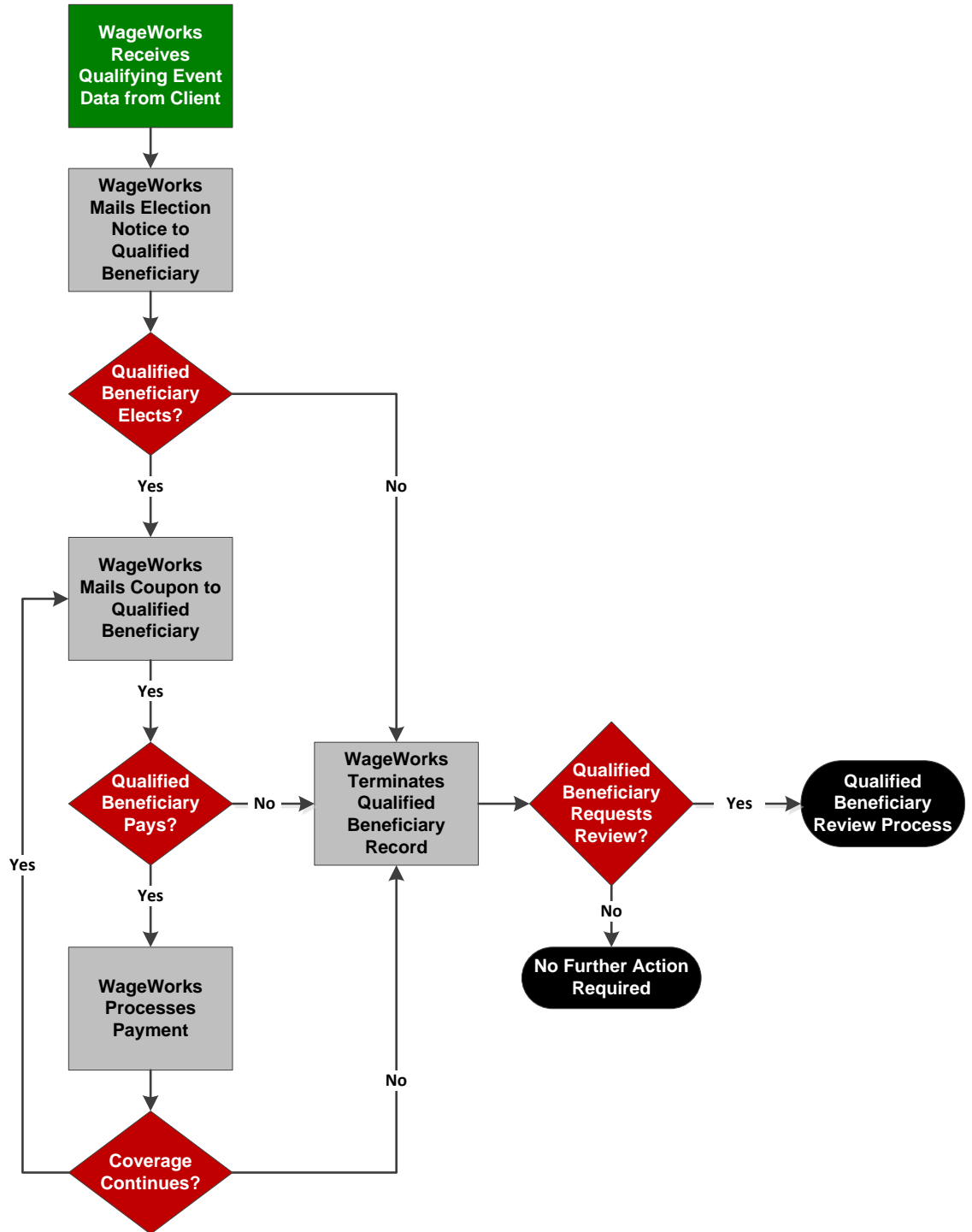
## WageWorks and Qualified Beneficiary Interaction Diagram

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The following diagram illustrates WageWorks' interaction with your COBRA qualified beneficiary. Steps that require a qualified beneficiary's decision or action appear in red

Figure 3 illustrates WageWorks' interaction with your COBRA qualified beneficiary.

Figure 3. WageWorks and Qualified Beneficiary Interaction Diagram



# WageWorks Mails Election Notice to Qualified Beneficiary

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After receiving QE data from a COBRA client, WageWorks sends an Election Notice to a qualified beneficiary. The Election Notice is a standard template format based on the DOL model notice and is not subject to client customization. WageWorks COBRA Services does allow “Employer Notes” to be set up that will display in a designated section of the Election Notice template.

Note: Currently, all COBRA communications are produced in English only.

## Election Notice

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WageWorks mails an Election Notice based on the Department of Labor Model Notice that informs the qualified beneficiary of his or her rights under COBRA as required. The Election Notice is sent by first class mail and WageWorks obtains proof of mailing.

An election notice has the following characteristics:

- Lists all qualified beneficiaries
- Lists all plans and coverage and the corresponding rates for each applicable tier
- Provides subsidy amounts and durations (if data was provided by you)
- Provides the date of the qualifying event
- Provides the date coverage ends under the plan
- Provides the date by which the qualifying beneficiary must elect COBRA
- Provides plan administrator information

Note: If COBRA continuation is offered for a Flexible Spending Account (FSA) plan, two notices will be sent if the FSA COBRA coverage start dates differ from the other plans offered.



### What's Next

You have finished learning about WageWorks' process for mailing an Election Notice. The next section describes how a qualified beneficiary elects COBRA.

## Qualified Beneficiary Elects COBRA?

To elect COBRA, a qualified beneficiary or other party must complete the Election Notice and return it to WageWorks in a timely manner.

Table 6 describes the three most common election scenarios.

Table 6. COBRA Election Scenarios.

Scenario	Description
Qualified beneficiary elects timely	WageWorks reports the election to you and sends a coupon to the qualified beneficiary.
Qualified beneficiary sends an election that's postmarked after the election period end date or attempt to elect through the website after midnight ET	<ul style="list-style-type: none"><li>• WageWorks returns the election and a copy of the envelope to the qualified beneficiary.</li><li>• WageWorks maintains a copy of the election and the postmark.</li><li>• WageWorks notifies the qualified beneficiary that the election has been denied.</li></ul>
Qualified beneficiary never sends an election	<ul style="list-style-type: none"><li>• WageWorks terminates the record in our system.</li><li>• WageWorks reports the non-election to you.</li><li>• WageWorks does <i>not</i> notify the qualified beneficiary that the election period has passed.</li></ul>



### What's Next

You have finished learning how a qualified beneficiary elects COBRA. The next section describes WageWorks' process of mailing a coupon to a qualified beneficiary.

# WageWorks Mails Coupon to Qualified Beneficiary

If a qualified beneficiary elects COBRA on time, WageWorks (as a courtesy) mails a billing coupon packet to the qualified beneficiary that contains the following information:

- Payment due
- Coverage period
- Grace date
- Plan and/or coverage
- Amount due by plan and/or coverage
- Subsidy amount (if applicable, this is displayed on the Election Notice and the coupons)
- Credit balances
- Total due



Qualified beneficiaries have the option of receiving email reminders in lieu of paper coupons by selecting that feature through [BeneDirect Qualified Beneficiary View](#).



### What's Next

You have finished learning about WageWorks' process for mailing a coupon to a qualified beneficiary. The next section describes how a qualified beneficiary makes a payment.

## Qualified Beneficiary Pays?

Qualified beneficiaries can make payments by check, money order, or certified check mailed to WageWorks' lockbox service. Money is deposited into a single WageWorks account. ePayments can be made on [BeneDirect Qualified Beneficiary View](#) through a one-time ACH draft on a checking or savings account that must be set up every month. For proper accounting and to reduce the need for refunds, a qualified beneficiary should not remit money for premiums that have not yet been billed.


If a refund to a qualified beneficiary is necessary, WageWorks does not return the qualified beneficiary's original check (which has already been deposited) but creates and disburses a new check to the qualified beneficiary for the refund amount. If WageWorks' lockbox service attempts to deposit a qualified beneficiary's check and receives an insufficient funds (NSF) notice, WageWorks will notify the qualified beneficiary by mail.

Table 7 describes three possible payment scenarios.

**Table 7. COBRA Payment Scenarios**

Scenario	Description
<p>Qualified beneficiary pays full amount due on or before the grace date</p>	<p>WageWorks posts the payment and updates the paid through date. If a qualified beneficiary pays several months in advance, WageWorks will apply the overpayment as credit balance one month at a time until the balance is exhausted. During this time, the coupons will reflect the credit balance and the amount due as \$0.00.</p>
<p>Qualified beneficiary pays a partial amount due on or before the grace date</p>	<p>If a partial COBRA payment is received that is short by the lesser of \$50.00 or 10% of the full premium amount due (considered an “insignificant shortfall”), WageWorks sends a letter advising the qualified beneficiary of the amount due and the date full payment is due for the shortfall (an additional period of 30 days is allowed from the day the insignificant shortfall letter is sent). If a qualified beneficiary fails to make full payment by that date, coverage is terminated and a refund is issued (as applicable).</p> <p>NOTE: A qualified beneficiary wishing to cancel some portion of COBRA coverage must contact WageWorks COBRA Services. Partial payment is not an acceptable means to cancel any portion of COBRA coverage.</p>
<p>Qualified beneficiary has a subsidy for one coverage and pays a partial amount due on or before the grace date</p>	<p>If a qualified beneficiary is offered a subsidy for medical, for example, and sends in a partial premium for dental coverage continuation, WageWorks sends a letter advising the qualified beneficiary of the amount due and the date full payment is due for the shortfall (an additional period of 30 days is allowed from the day the insignificant shortfall letter is sent). If a qualified beneficiary fails to make full payment for all enrolled coverages by that date, all coverage, including an coverage eligible for a subsidy, is terminated and a refund is issued (as applicable). WageWorks sends an early termination letter to the qualified beneficiary and reports the termination to you.</p> <p>The qualified beneficiary should contact WageWorks COBRA Services prior to the month in which he or she wishes to cancel coverage to confirm cancellation of any coverages for which they do not expect to send payment. Once this action has been completed, WageWorks COBRA Services will know how to apply any remitted funds to the remainder of the enrolled coverage.</p>

Table 7. COBRA Payment Scenarios (cont.)

Scenario	Description
Qualified beneficiary sends a payment that's postmarked after the grace date	<p>WageWorks posts the payment and tracks the postmark date, sends an early termination letter to the qualified beneficiary, and reports to you. <a href="#">BeneDirect Qualified Beneficiary View</a> website will not allow payment after 12 midnight ET on the grace date.</p> <p> If an untimely payment is received, WageWorks sends a refund check to the qualified beneficiary. WageWorks does not return the qualified beneficiary's original check.</p>
Qualified beneficiary doesn't send a payment	<p>WageWorks terminates the qualified beneficiary, sends an early termination letter to the qualified beneficiary, and reports the termination to you.</p>



## What's Next

You have finished learning about how a qualified beneficiary makes a payment. The next section describes WageWorks' process when a qualified beneficiary's coverage is continued or terminated.

## Coverage Continues?

A qualified beneficiary's COBRA coverage can be continued or terminated based on a wide variety of factors. This section describes what WageWorks does when:

- Coverage Continues
- Coverage Is Terminated

### Coverage Continues

When COBRA coverage continues, WageWorks mails a new coupon to the qualified beneficiary. For more information, see "WageWorks Mails Coupon to Qualified Beneficiary."

## Coverage Is Terminated

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When COBRA coverage is terminated, WageWorks sends one of two letters to the qualified beneficiary.

### Early Termination of Coverage Letter

An early termination of coverage letter is sent to a qualified beneficiary when COBRA is terminated for any reason before the end of the COBRA period. The letter is sent by first class mail and contains the following information:

- Date of termination
- Plan name
- Qualified beneficiaries
- Reason for termination
- How to request a review

### End of COBRA Period Letter

An end of COBRA period letter is sent to a qualified beneficiary 45 days prior to the end of the coverage period and contains the following information:

- Date of expiration
- Reason for expiration
- Conversion option ( if available)



### What's Next

You have finished learning about WageWorks' process for terminating coverage. The next section describes a qualified beneficiary's options for requesting a change in coverage.

## Qualified Beneficiary Requests a Change of Coverage

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Qualified beneficiaries can request a change of coverage outside the annual enrollment period for the following reasons:

- Life Status Changes
- Requests for COBRA Period Extensions

## Life Status Changes

A qualified beneficiary can request a change of coverage by notifying WageWorks and providing documentation for any of the following life status changes:

- Marriage
- Birth
- Adoption

Table 8 describes two possible life status change request scenarios.

**Table 8. Life Status Change Request Scenarios**

Scenario	Description	Example
Qualified beneficiary notifies WageWorks within 30 days of the date of the event	WageWorks processes the request and adds the new spouse or child to the COBRA account.	<ul style="list-style-type: none"> <li>• A qualified beneficiary is married on January 2 and notifies WageWorks to add the new spouse to their COBRA coverage on January 31.</li> <li>• A qualified beneficiary has a new baby on April 17 and notifies WageWorks to add the child to their COBRA coverage on May 5.</li> </ul>
Qualified beneficiary notifies WageWorks beyond 30 days after the date of the event	WageWorks requests guidance from the client.	<ul style="list-style-type: none"> <li>• A qualified beneficiary is married on January 2 and notifies WageWorks to add the new spouse to their COBRA coverage on February 28.</li> <li>• A qualified beneficiary adopts a child effective April 17 and notifies WageWorks to add the new child to their COBRA coverage on 6/30.</li> </ul>

## Requests for COBRA Period Extensions

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A qualified beneficiary may be eligible for an extension to the COBRA period for the following reasons:

- Social Security Disability
- Second Qualifying Event



If a request is deemed invalid, WageWorks mails a Notice of Unavailability of COBRA Coverage to the qualified beneficiary within 14 days of the request explaining why the extension is denied and how the qualified beneficiary can appeal.

### Social Security Disability

An 11-month extension of coverage may be available if any of the qualified beneficiaries covered under the qualified beneficiary's COBRA plan is determined by the Social Security Administration (SSA) to be disabled (and the appropriate documentation is provided). The disability has to have started at some time before the 60th day of COBRA continuation coverage and must last at least until the end of the 18-month period of continuation coverage.

The qualified beneficiary must notify WageWorks COBRA Services of the disability determination prior to the last day of the initial 18-month COBRA continuation coverage period and within 60 days of the latest of:

- The date the qualified beneficiary was informed (through the Summary Plan Description or Initial General Notice of COBRA Rights) of the responsibility and procedures for informing the plan administrator of the disability determination
- The date on which the qualifying event occurred
- The date coverage was lost (or would be lost), or
- The date the SSA made the determination (the date of determination notice of award)

If the qualified beneficiary is determined by SSA to no longer be disabled, the qualified beneficiary must notify WageWorks COBRA Services of that fact within 30 days of SSA's determination.

### Second Qualifying Event

WageWorks COBRA Services can support processing of a second qualifying event. If a second qualifying event occurs, a qualified beneficiary may be entitled to an additional 18-month extension of coverage. This may also be available to covered spouses and dependent children who elect continuation coverage if a second qualifying event occurs during the first 18 months of continuation coverage (and the appropriate documentation is provided). The maximum amount of continuation coverage available when a second qualifying event occurs is 36 months.

COBRA regulations do not require WageWorks to request or collect documentation in most cases. The only exception is with respect to a disability extension request where we need to have the notice of award (NOA) from the Social Security Administration in order to properly make a determination on the disability extension and Medicare Entitlement. We are no longer required to provide documentation for the following MQE's. Second qualifying event includes:

- **Birth** – Birth certificate not required -30 days from the date of birth. We do not require a copy of the birth certificate to add the new born. If no details about plan details are provided on the request, the new born child is only added to the medical plan.
- **Death** – Death certificate is not required.
- **Marriage**: WageWorks must be notified 30 days from date of marriage. We do not require a copy of the marriage certificate.
- **Adoption**: WageWorks must be notified 30 days from the final adoption date. We do not require a copy of the adoption certificate add the newly adopted child. If no details about plan details are provided on the request, the adopted child is only added to the medical plan.
- **Divorce/ Legal Separation** WageWorks must be notified by the covered employee as premium remains on the original record. A copy of the divorce decree is no longer required. Qualified beneficiaries can contact WageWorks' Solution Center and provide the date of Divorce and the spouse will be converted to their own account and receive 36 months of coverage from the original QE date.
  - Documentation is required when a qualified beneficiary experiences a multiple Qualifying Event for Loss of Dependent Status, Social Security Disability, and Medicare entitlement of the covered Employee:
  - Loss of dependent status for a child – currently we receive direction from you or the qualified beneficiary that the covered dependent is no longer eligible.
  - Medicare entitlement of the covered employee - WageWorks requires a copy of the Medicare Card to drop coverage for the covered qualified beneficiary.



Medicare entitlement rarely causes a loss of coverage under a group health plan. Typically, when a former employee on COBRA becomes entitled for Medicare, the spouse and any dependent children currently covered under COBRA are allowed to complete the remainder of the 18-month COBRA coverage period, assuming that all required premiums are paid on time.



## What's Next

You have finished learning about a qualified beneficiary's options for requesting a change of coverage. The next section describes a qualified beneficiary's options for appealing a decision.

## Qualified Beneficiary Appeals?

WageWorks receives an initial request for reinstatement of COBRA coverage and completes an administrative review (also referred to as a first level review) of the qualified beneficiary's record to verify administratively that the termination of coverage was appropriate. The initial request for reinstatement is typically denied if there is no evidence of administrative error

and a letter referencing the pertinent guidelines or provisions is mailed to the qualified beneficiary. Simultaneously, the matter is referred to you for review.

As the plan administrator, you are responsible for making decisions on all COBRA appeals that are referred for review. For those reviews, WageWorks COBRA Services will gather all information and documents pertinent to the denial or termination. Once all information and pertinent documents have been gathered, WageWorks COBRA Services will provide a written summary of the factual findings.

For second level reviews, or when the qualified beneficiary expresses **extenuating circumstances** in the initial request (e.g. death of an immediate family member, medical incapacitation, hospitalization, natural disasters, house fire, catastrophic sudden illness/injury), WageWorks COBRA Services will send a summary to you, as the Plan Administrator, for approval or denial within thirty (30) days of receipt by WageWorks COBRA Services of the appeal request. You must respond in writing to WageWorks COBRA Services following the complete review of the pertinent material approving or denying the request.

Upon receipt of your decision, WageWorks COBRA Services provides written notice to the qualified beneficiary unless you otherwise direct WageWorks COBRA Services that you will notify the qualified beneficiary directly. If the initial review is denied or termination is confirmed in the second review, the notice will advise of the denial and reference any pertinent guidelines or provisions on which such denial was based. If you decide to reinstate continuation coverage for the qualified beneficiary, the notice instructs the qualified beneficiary to send the applicable premium to WageWorks COBRA Services within the standard billing grace dates. You may specify that a different payment grace date be provided when approving the reinstatement.

If you do not respond to WageWorks' inquiry on a second-level appeal, WageWorks will direct the qualified beneficiary who submitted the appeal to contact you directly.



Appeals related to electing COBRA that include circumstances that may require a tolling period will be sent to the client for review and, if reinstatement is approved, the client will be asked to provide direction to WageWorks COBRA Services regarding the time frame for the qualified beneficiary to make a COBRA election.

In addition to the appeals outlined above, requests for review of 11-month extension denials as well as Annual Enrollments are also processed.

A qualified beneficiary may request a review of a denial issued for the 11-month extension due to disability. Under COBRA regulations, an extension of 11-months is available for those Qualified Beneficiaries deemed disabled by the Social Security Administration due to disability (under Title XIV or XVI of the Social Security Act). The provisions set-forth by COBRA, the 18 month COBRA period may be extended for up to eleven months, if:

- the qualified beneficiary is determined under the Social Security Act to have been disabled at any time during the first 60 days of COBRA coverage *and*

- notification is provided to the Plan Administrator of the disability determination prior to the last day of the initial 18 month COBRA coverage period *and*
- is within 60 days if the latest occurring event listed:
  - the date on which the qualifying event occurred;
  - the date coverage was lost; or
  - the date the qualified beneficiary was informed of the responsibility and procedures for informing the plan of the disability determination.

When 11-month extensions are denied based upon either not meeting one or more of the above provisions or perhaps not receiving the necessary information required to make a determination for eligibility, can be appealed by the qualified beneficiary. This type of review request is referred to you for your review and decision by providing them with the documentation received, as well as advising them of the reason for the extension denial.

Annual Enrollment (AE) requests for reviews are referred to you when an active AE period has occurred, in which the selection for the next plan year's benefits was either not received or was received after the deadline for selection of benefits. In addition, it may include requests to change the AE selection after the deadline. In any case, these types of requests for review are also referred to you for review and a decision. Documentation received along with the appeal correspondence is sent to you.

Requests for review of denials of the 11-month extension and issues related to Annual Enrollment are automatically referred to you for determination. Upon receipt of your decision, notice is sent to the qualified beneficiary advising of whether the appeal was approved or denied and any necessary changes to the qualified beneficiary's account are made.



### What's Next

You have finished learning about qualified beneficiaries' options for appealing a decision. The next section describes how a qualified beneficiary can contact WageWorks.

## How a Qualified Beneficiary Can Contact WageWorks

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A qualified beneficiary can contact WageWorks COBRA Services by:

- Entering a request on [BeneDirect Qualified Beneficiary View](#)
- Calling WageWorks COBRA Services during normal business hours
- Mailing or faxing WageWorks



Correspondence to WageWorks that is mailed, faxed, or emailed should include the full name and BL# of the qualified beneficiary. Qualified beneficiaries who contact WageWorks must submit their correspondence in English in order for WageWorks to respond.



### What's Next

You have finished understanding WageWorks' interaction with your qualified beneficiary.