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COBRA Overview

Client Guide

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Clarity | BENEFIT SOLUTIONS™ COBRA Client Process Overview

Clarity COBRA Process Overview

Please review the following information for a summary of the COBRA process.

Receiving Participant (PPT) & Employee (EE) Information:

Clarity receives Participant and Employee information in one of the following ways:

- Manual entry by the designated client/broker contact
- Electronically via file feed (**preferred**)
 - Integration with a Benefit Administration system can automate the triggering of COBRA Events to be sent.
 - To make COBRA administration simpler and reduce manual work and errors we prefer to set up an EDI to seamlessly transfer data between your company and our COBRA platform.
 - *Examples of file feeds supported: EASE, Employee Navigator, bSwift, & many more!*

Employee (EE) Process:

Employee (EE) - an individual who is a current employee of a client and not yet receiving COBRA benefits.

- The EE is entered or imported into the COBRA portal.
- The General Notice (GN) is queued to be sent the following business day.
 - By 11am EST on the day the GN is mailed, anyone with access to the COBRA portal can download a copy as needed.
- The GN explains a new hires rights to COBRA coverage should they experience a Qualifying Event (QE).

Participant (PPT) Process:

Participant (PPT) - an individual who has lost group health plan coverage due to a Qualifying Event such as termination or retirement.

- The Participant (PPT) is entered or imported into the COBRA Portal.
- The Qualifying Event (QE) Notice is queued to be sent the following business day.
 - By 11am EST on the day the QE Notice is mailed, anyone with access to the COBRA portal can download a copy as needed.
- The QE Notice contains the members eligible COBRA plan(s), coverage level, rate information, and an election form with instructions on how to elect and pay by mail or online by registering on the COBRA portal.

Carrier Notifications:

Eligibility with the carrier is managed by either the client/broker or the insurance carrier directly (preferred). Carrier Notifications are sent from Clarity in one of the following ways:

- Electronically via an 834-file feed directly to the carrier (**preferred, if accepted by the carrier**)
- By secure email directly to the carrier eligibility contact(s) on record

After both a positive COBRA election AND full first month's premium payments are received and processed, a reinstatement notice will generate and be sent to the Carrier Eligibility contact on record for processing.

Any changes to COBRA eligibility, such as reinstatement, plan changes, and terminations, will generate a carrier notification to the Carrier Eligibility contact(s) on record.

To avoid delays in member eligibility with the carrier, please notify Clarity immediately if any updates are needed to the Carrier Eligibility contact(s) on record.

COBRA Premium Collection & Disbursement:

- Clarity collects the monthly COBRA premiums directly from elected Participants. Premiums include an administration fee retained by Clarity while the remaining premium is returned to the Employer.
 - Premium payments are due on the 1st of the month but allow for a 45-day grace period for the initial COBRA premium and a 30-day grace period for all subsequent payments.
 - *Example: January premiums are due 1/1 and payments must be postmarked by 1/31 to be accepted/applied.*
- **Premiums are always disbursed in arrears.** Clarity disburses premium payments on or about the 15th of each month via direct deposit.
 - Disbursement reports are located within the COBRA platform by locating the *Reports* tab and selecting *Disbursement Details*. *Date range used will be processed date – ex: to see Jan premiums received, use range 2/1-2/15.*
- The monthly Disbursement report provides employers with a breakdown of which participant's paid, the payment amounts, and for which month(s) the premiums were applied.

Thank you for reviewing. We hope this helps to better explain your COBRA process!