



**BBP Admin**  
BENEFITS ADMINISTRATION  
COBRA, FMLA, FSA, HRA, HSA, PAYROLL, TRANSIT  
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## COBRA 101 – Important Information in understanding your COBRA Rights\*

The COBRA Election Form you receive from the plan administrator (Employer) is the governing document for all COBRA rules and this is for informational purposes only. Please refer to the COBRA Election packet for all dates and deadlines. Your COBRA election packet is the binding document and if any information differs it is the COBRA election packet that will be binding.

### Understanding what COBRA is and rules to electing?

#### **What is COBRA?**

COBRA stands for the “Consolidated Omnibus Reconciliation Act of 1974”, a federal regulation that gives “Qualified Beneficiaries” the opportunity to continue their employer provided group health coverage after they would normally have lost eligibility (for example, after termination of employment).

#### **Is BBP Admin my new insurance carrier?**

No. BBP Admin is not the insurance carrier. BBP Admin assists your employer with the administration of their COBRA responsibilities. Your employer is the COBRA Plan Administrator for ERISA purposes.

#### **Who is a “Qualified Beneficiary”?**

A Qualified Beneficiary (“QB”) is a person who is eligible to elect coverage under COBRA. A QB can be the spouse (including a legal married same-sex spouse) or child of an employee. Each QB has an independent right to elect COBRA. ***For example, if the employee and spouse are both QBs, the spouse may elect COBRA even if the employee decides to waive coverage.***

#### **Is my domestic partner a QB?**

Not under federal law. Domestic partners do not have QB status under the law. However, some employers do permit domestic partners to be QBs, while some others allow domestic partners to stay on COBRA as a dependent (without the rights of a true “QB”). If your domestic partner is eligible to retain coverage under COBRA, they will be listed on your election form, ***SUBJECT to final approval from the insurance carrier.***

#### **What coverage can I elect under COBRA?**

In general, you may continue the health coverage that you had on the last day you were eligible as an active employee (or family member of an active employee). The coverage available to you is listed on your COBRA election form. In general life and disability products are NOT COBRA eligible you will have to call your former insurance carriers directly to see if you can convert that coverage.

#### **Why is COBRA so expensive?**

The cost of COBRA coverage is exactly the same as coverage for active employees (except for the 2% administration fee). The difference is that the employer subsidizes the cost of coverage for active participants. Under COBRA, the QB is generally responsible to pay the entire cost for coverage.

#### **When does COBRA continuation coverage start?**

In most cases, COBRA coverage will start on the first day of the month after the date you lost eligibility as an active participant. Your COBRA start date is printed on your election notice.

#### **What if I don’t want COBRA coverage?**

You are not required to accept COBRA coverage. It is strictly voluntary. If you do not want to elect coverage under COBRA, just don’t make an election before the enrollment deadline. Once the enrollment deadline passes, you will lose your right to continue coverage under COBRA.

#### **Are there any other options besides COBRA?**

Yes, in addition to COBRA coverage, other health insurance coverage options may be available to you, such as coverage through the Health Insurance Marketplace at [www.healthcare.gov](http://www.healthcare.gov) or call 1-800-318-2596. You may also be eligible to enroll in coverage through Medicaid or another group health plan (like a spouse’s plan), if you request enrollment within 30 days of the loss of coverage. Finally, if you have children on your plan they might qualify for state CHIPRA Insurance. This is usually great coverage at a more reduced price. Please check out this website and download the notice for state specific information - <https://www.dol.gov/agencies/ebsa/laws-and-regulations/laws/chipra>

In addition, 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 a marriage or birth of a child

through something called a “special enrollment period”. If you terminate COBRA continuation early without another qualifying event, you’ll have to wait to enroll in Marketplace coverage until the next open enrollment period and may be without health coverage in the interim. When you’ve exhausted COBRA continuation and the coverage expires, you’ll be eligible to enroll in Marketplace coverage through a special enrollment period even if the Marketplace open-enrollment has ended. If you sign up for Marketplace coverage instead of COBRA, you cannot switch back to COBRA continuation coverage.

Finally, on the marketplace website you will be asked personal financial information to see if you qualify for any insurance premium subsidy. If you qualify this can assist you for marketplace coverage for those monthly premiums making that coverage affordable.

**I have another job and will be offered insurance from my new employer, but the coverage does not start immediately, what are my options?**

You have 60 days to elect coverage. You are no longer required to have continuous coverage to be covered under another plan. You can certainly wait based on your COBRA cost and see if your claims (you might have) end up costing more than the monthly COBRA premium. If not, you can save the difference and move onto new insurance. Worst case you can elect in 60 days and that gives you another 45 days to pay. Please note you must always pay back to the original COBRA start date. Even though you are not fully on COBRA you can always jump on within your 60-day election period and once you pay the insurance carrier will have to pay back any claims allowed under the coverage back to your start date.

The good news is you have options available to you. You will just want to compare what it will cost to be on COBRA and if that is less than any claims you will have while waiting to get on your new coverage.

**The COBRA Election Process and Questions about Coverage**

**What is required for me to enroll in COBRA?**

To enroll under COBRA, you must complete the enclosed election notice and additional carrier enrollment forms (if attached and applicable). You must also pay the full initial premium for the coverage you select. The initial premium is listed on the enclosed election notice.

**How much time do I have to elect COBRA?**

You have 60 days from the LATER of the date enclosed election notice or the date your COBRA coverage commences. Your COBRA start date and enrollment deadline are printed on the enclosed election notice.

**Do I have to send the initial premium with my enrollment paperwork?**

No. You may delay your initial premium payment for up to 45 days after you sign the enrollment form. However, your initial premium must include all premiums due back to your original COBRA start date; so, the longer you delay your payment, the larger the payment will be.

**Can I use my health insurance before I elect COBRA?**

No. Your coverage will be suspended on your loss of coverage date. It will then be reactivated after you enroll under COBRA. When it is reactivated, your COBRA coverage will take effect from your loss of coverage date, so there will be no gap in coverage.

**Can I choose to start my COBRA at a later date?**

No. If you delay your enrollment, your COBRA coverage will still start on your original COBRA start date.

**How long will it take to reactivate my coverage under COBRA?**

It can take up to three weeks to reactivate your coverage AFTER BBP Admin receives your paperwork and initial premium so DO NOT WAIT until you need a prescription or other service to enroll.

**Will I receive a monthly COBRA bill?**

No. BBP Admin will provide you with payment coupons. If you pay by check, you must include the proper coupon with your payment.

**What if I do not receive payment coupons from BBP Admin?**

Coupons are provided as a courtesy; they are not required. If you do not have a coupon, you still must make your COBRA payment on-time. If you do not have coupons, contact BBP Admin before your premium is due. We’ll be happy to resend your coupons.

**What is the best way to enroll with BBP Admin?**

The best way to ensure your coverage is reinstated as quickly as possible is to mail your paperwork and initial premium together to BBP Admin. You can overnight or express mail your paperwork and initial premium to speed the process, but DO NOT require a signature if you mail it to our Lockbox, as it could result in a significant delay. You can fax or email your paperwork without your initial premium. But remember, your coverage will NOT be reinstated until BBP Admin receives the full premium.

**Can I terminate my COBRA coverage at any time?**

Yes. You may stop paying for COBRA coverage at any time.

**Can I change my health plan while on COBRA?**

You have the same rights to make coverage changes during the employer's open-enrollment period as any similarly situated active employee. If the employer offers multiple plan options or makes plan changes, you can make corresponding changes. You will receive information about your plan options during the open-enrollment period for the employer's benefit plans.

**Can the cost of COBRA coverage increase?**

In general, the cost of your COBRA coverage can only increase once each year when the employer's benefit plans renew. You will be notified in advance if the costs for your COBRA coverage increases (or decreases).

**Can I start using my COBRA coverage as soon as BBP Admin receives my paperwork and premium?**

No. BBP Admin is not the insurance carrier. Under normal circumstances it can take up to 3 weeks for some carriers to reinstate your coverage. Do not wait until you need services to submit your paperwork and pay your premium.

**What if I need a prescription or other medical service before my coverage is reinstated?**

In most cases you will have to pay the full cost for service on your own and then seek reimbursement from your insurance carrier once your coverage has been reinstated. This is why it is important that you not delay your enrollment by waiting until the last second to enroll.

**Can I view my COBRA information online?**

Yes. Once your enrollment is completed (meaning BBP Admin receives your paperwork and initial payment), you will have online access to your COBRA account information, including payment history, coverage information, communications and online payment options. Contact BBP Admin if you would like web portal access or that information can be found in your COBRA election paperwork.

**Will I receive new insurance ID cards?**

Generally, No, but ID cards are issued by the insurance carrier. Please contact your carrier with questions about your coverage, including ID cards.

**How do I complete the election form?**

Go to the page in your packet titled "HEALTH BENEFITS CONTINUATION PLAN ENROLLMENT FORM" Please put the full name of each person, date of birth, sex and social security number on page one. Then on page 2 check the plans you would like. (If not every family member is coming back onto each policy please just write down the new coverage level and family members to be enrolled. Finally, make sure to sign and date the form.

If additional INSURANCE CARRIER FORMS are required, you must also complete and sign these forms corresponding to the coverage you are electing. Don't worry about completing employer information (i.e. group/plan number) on the form(s) – just complete your personal and dependent information. Please note sometimes the carrier requires the form after BBP Admin submits the COBRA forms to the carrier. In this case BBP Admin will contact you with any additional forms.

All required forms must be returned to BBP Admin together. Your enrollment cannot be processed until we receive ALL required forms. Missing forms will delay your coverage reinstatement.

**COBRA Payment Process**

**Can I pay my COBRA premium online or by phone?**

Your first premium payment may only be paid by check or money order. After your initial payment, you may pay ongoing premiums by check, money order, bank draft, virtual check or by using a credit card. There is an extra "convenience" fee when paying by virtual check or credit card. Bank draft, virtual check and credit card information is available using the web portal. BBP Admin does not accept payments over the phone.

**When is my COBRA premium due?**

After your initial enrollment, ongoing COBRA premiums are due by the first day of each month (January 1<sup>st</sup> for your January premium). Premiums not received by the first are delinquent and may result with your coverage being suspended immediately without further notice.

**Can someone else pay my COBRA premium on my behalf?**

Yes. Anyone can pay your COBRA premium including a relative, hospital or even a new employer.

**Do I have a grace period to pay my COBRA premiums?**

Yes. Your premium will be accepted as long as it is postmarked (or paid online) no later than 30 days after the due date. For example, your January premium will be accepted if it is postmarked no later than January 30<sup>th</sup>. If you pay before the deadline and your coverage was suspended, it will be reactivated without a break in coverage. Please note that it can take up to three weeks for carriers to turn coverage back on after it is suspended. During

this time you will not be able to access your benefits. If you are in treatment, be sure to always pay your COBRA premium by the due date.

**What happens if I do not pay by the end of the 30-day grace period?**

There are virtually no excuses the insurance carriers will allow for missing the deadline (other than a person being incapacitated). If your premium is postmarked even one day after your 30-day grace period, you forfeit your right to COBRA and coverage will be terminated retroactively back to the first day of the month for which your payment was due. If you used your coverage during the grace period, you will be fully responsible to repay the insurance carrier. Traveling is NOT an excuse. Plan accordingly if you will be out of the country when your premiums become due.

**What if I fail to pay the exact premium?**

This should never happen if you pay the amount stated on the coupon. You are responsible to pay the correct premium. If you pay less than the amount due, you are responsible to make up the difference. If the amount is "insignificant", you will be given 30 days to make up the shortfall. If the amount is "significant", you must pay the difference by your normal payment deadline for the month. If you fail to pay the full amount due by the end of your 30-day grace period, you will forfeit your right to COBRA.

**What if I do not pay enough postage when mailing my paperwork and monthly payment?**

You are fully responsible to ensure you pay adequate postage whenever you send mail to BBP Admin. Mail received "postage due" will be returned for full postage.

**What if my payment is returned unpaid by my bank?**

A check that is returned unpaid by your bank does not qualify as a payment. If this occurs, you must provide BBP Admin with a replacement check and any additional banking fees. If you fail to repay by the normal payment deadline, your COBRA coverage will terminate retroactively to the first of the month for which payment was due and you will forfeit all rights to continue coverage under COBRA. You will be responsible to pay all expenses that you incur after the termination date of your coverage.

**Can I pay my COBRA premiums early?**

Yes. If you pay early, include the appropriate payment coupon.

**Is there an extra charge for a returned check or bank draft?**

Yes. Due to extra costs incurred by BBP Admin, you will be required to pay \$30 for each check or bank draft that is not honored.

**How long can I keep COBRA?**

Depending on the circumstances, you may be eligible to continue Federal COBRA for up to 18 or even 36 months. Your specific coverage period is stated on your election notice.

Some states (including California) offer an extended medical coverage period of up to 36 months under specific circumstances. If you have COBRA coverage for less than 36 months (i.e. 18 or 29 months), inquire with your carrier BEFORE your COBRA expires to see if you qualify for a state COBRA extension.

**COBRA Contact Information**

You can go to [www.bbpadmin.com](http://www.bbpadmin.com) and in the bottom right corner chat with a representative. A direct COBRA phone is 630-775-8551. You may also email our COBRA department at [COBRA@bbpadmin.com](mailto:COBRA@bbpadmin.com).