

From: Karen Giles
Sent: Thursday, October 21, 2010 12:01 PM
Subject: COBRA ARRA Reporting and Billing Process
Attachments: COBRA ARRA MONTHLY QUARTERLY SAMPLE 11-17-09.pdf; COBRA Health Insurance Continuation Premium Subsidy 5-12-10.pdf



Dear Bookkeeper:

As you are aware, Employers (you) are responsible for 65% of the premium for those employees who are assistance eligible as you have indicated to Meritain when submitting the termination/qualifying event information. We have recently received several inquiries about how Meritain bills and collects premium from the Employer group and from the COBRA assistance eligible individual.

Following is the process Meritain follows in order to bill and collect premium for the COBRA subsidy/assistance eligible individuals. I have attached a copy of a Sample monthly report/bill and a copy of the quarterly report that is sent via email on a monthly basis to the Bookkeeper we have on file. (If you have a person who is COBRA assistance eligible you will receive this report/bill. If you do not have anyone assistance eligible you will not receive the monthly report/bill or the quarterly report.)

1. Meritain bills the COBRA ARRA (assistance eligible) individual directly the amount of 35% of the premium. When the COBRA ARRA (assistance eligible) individual pays their portion of the premium the attached report/bill is generated and emailed to the individual employer groups.
2. Meritain sends this monthly report (which is also the bill – see attached sample) to you, the employer group, to identify the amount due by the COBRA beneficiary, the amount due by you, the employer group, and the total premium due. The amount due by you, the employer, is reflected under the “Stimulus” column of the report/bill. If the employee does not pay their portion or does not pay timely they will be terminated in which case you, the employer, will not receive a report/bill.
3. When Meritain receives payment from the COBRA individual the Meritain Finance Department posts the member payments.
4. Employer group uses this monthly ARRA report/bill to pay the premium due to Egyptian Trust. The individual employer payment should be for the amount as indicated under “Stimulus” and should be included with your monthly payment to Egyptian Trust. You will also need to note in the advice section of your check the names of the COBRA assistance eligible person(s) for whom you are paying. Keep in mind, you are paying your portion of the COBRA premium only after the employee has paid so in the case of COBRA ARRA payments you are at least a month behind in making such payments. The Egyptian Trust is well aware of this and will not impose late payment penalties in reference to COBRA ARRA subsidy

payments.

5. Employer group then files the payroll credit on their 941 form.

I have received several questions and inquiries about employer groups receiving the billing including the vision and dental premiums on behalf of the COBRA assistance eligible individual. Please note the rules are clear that the subsidy applies to vision and dental as well as the health plan regardless of whether those were voluntary benefits or not.

I have attached a document that was previously emailed to all employer groups on June 22, 2010 which should be printed and reviewed carefully. This document is information directly from the IRS about the COBRA subsidy program, including key questions and answers. This document should answer most, if not all of your questions. You will note my additional comments are included in this document in bold blue underlined and italicized font notations specific to the Egyptian Trust program.

Again, you will only receive the report/bill if you have indicated a person is "assistance eligible" and the person has elected to continue coverage through COBRA. If you have any questions concerning COBRA you may contact your COBRA Administrator, Sheila Wolschleger, at sheila.wolschleger@meritain.com or toll-free at 800-748-0003 ext. 2211.

I hope you find this information helpful and please contact me directly if you need to escalate your inquiry.

Karen L. Giles
V.P. Client Relations

Meritain Health
13 Executive Drive, Suite 19
Fairview Heights, IL 62208

Toll Free 866-588-2431, opt. 3, ext. 6104
Fax 888-525-2799

karen.giles@meritain.com
