



# Ready for Open Enrollment

## *Beware of COBRA Quicksand*

By: Robert Meyers

### **When you think of quicksand, what comes to mind?**

I envision a seemingly innocent sandy landscape that suddenly sucks an unsuspecting pedestrian down into a mucky, inescapable situation – it's like a scene from Indiana Jones, or like COBRA oversight during open enrollment.

If you think this example is extreme, think again. Navigating open enrollment can be like a jungle safari – especially if you are changing carriers. Even if you aren't changing carriers, there are often other variances that make the annual plan transition challenging — from pricing, deductibles and plan parameters to policy provisions, networking and co-pays.

While the plan changes are difficult, the people changes can be treacherous. Employers are well-served to diligently track employees and COBRA participants before and after open enrollment so no one is lost in the open enrollment gap. Most organizations struggle with the before and after because the aftermath isn't definite. Rather, Jan. 1 does not mark the end of open enrollment. Sometimes it can drag into the next couple of billing cycles, especially when there are COBRA extensions and retroactive issues. The COBRA timeline can move you forward or backward three months, further complicating the process.

The bottom line – make sure everyone is accounted for, especially COBRA participants. Most employers overlook their COBRA folks, resulting in costly mistakes and oversights. Here are several COBRA coordination tactics that will help you facilitate a seamless transition.



- **Take inventory. Account for everyone.** It's fairly common for employers to forget about COBRA participants during open enrollment. COBRA participants get lost in the shuffle as employers busily chase active employees and new hires to provide annual enrollment information. That's why it's important to make a list of your COBRA active participants, your COBRA pending participants and your active employee census. Then apply this simple, easy-to-remember enrollment participation formula:

**Potential Enrollment =**

**Submitted Census + COBRA Actives + COBRA Pendings + COBRA Waives (covered elsewhere)**

- **Crosscheck participation against carrier bills.** When employers build their rosters for open enrollment, they don't necessarily audit the list for accuracy. That's why it's important to get a copy of the group bill along with the group census. Make sure to take a good inventory of the bill, before and after open enrollment. For even better results, go back a few months to capture all of the COBRA pending participants and ensure they are on the current bill or have been removed. (See "Riders on the Plan," HIU, May 2010, for more information about carrier bill auditing.)

- **Quickly resolve any mistakes.** If a COBRA participant is on the group bill and shouldn't be, act quickly. You have only a short window of opportunity to recover money since most carrier look-back periods are only 30 to 60 days. If someone should be on the bill and was left off by mistake, be prepared to back-pay premiums when you reinstate. Take care of it when it happens because, like an IRS tax penalty, it only gets more complicated as time passes. When it comes to COBRA coordination, omissions are the most problematic. That's why it's smart to put everyone on the carrier census and then remove anyone who doesn't belong. It's far easier to remove someone than it is to add them back on the plan.
- **Send the appropriate notifications.** COBRA pending participants must to be notified of plan changes. Watch out! This step is fraught with mistakes. All too often, pending participants are dropped from the roster and they fall through the cracks. They have a right to know about plan changes and the group has an obligation to tell them.

COBRA adds a murky layer of complexity to the open enrollment process. As an employer, your job is to maneuver around the quicksand. If you're willing to do a little more work up front and fearlessly face these issues, your open enrollment expeditions will be smooth and your future will be bright.

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