



# COBRA ADMINISTRATION: OUTSOURCING ADVANTAGES

HR MANAGEMENT

PAYROLL SERVICES

BENEFIT ADMINISTRATION

COBRA	THE INTEGRATION OF BUSINESS AND TECHNOLOGY
HIPAA	
FSA	
HRA	
HSA	
LEAVE OF ABSENCE AND RETIREE PREMIUM BILLING	

## Why outsource to Mangrove?

Mangrove links our dedicated and trained people, leading technology, and established process to enhance our administration capabilities on an employer's behalf. Since COBRA was enacted in the mid 80's, Mangrove has focused on being operationally flexible with compliance in the forefront. We continue to invest in technology to improve the speed, accuracy, safety, and security of the data we handle. Mangrove works hard to ensure peace of mind that these critical processes are in good hands.

### COBRA Administration

- Proper adjudication eliminates the high cost of claims associated with the COBRA population
- Reduces investment in software and technology
- Provides consistent, accurate legal and regulatory compliance for all services rendered
- Avoids costly non-compliance fines (\$110 per day, per individual, per incident, plus legal fees)
- No manuals to purchase or update
- No ex-employees to track
- No people to train or supervise
- Reduces overhead costs
- Customized solutions maintain strict compliance and leverage cutting-edge technology to provide virtually paperless administration.
- Leave the work, and the compliance responsibility, to our specialized professionals.

### Penalties for COBRA Non-Compliance

#### Internal Revenue Service Code Penalties

- Employer is subject to \$110 per day per violation for each qualified beneficiary (QB).
- This is a non-deductible cost.
- Maximum non-compliance period ends 6 months after maximum COBRA period
- Non-compliance correction means QB is placed in a financial position as good as he/she would have been if the violation had not occurred

#### ERISA Penalties

- Employers that fail to provide compliant COBRA notices are liable up to \$110 per day until provided.
- Penalty is separate from any other judgments, costs, or damages imposed by the courts against employer.
- The employer's plan could be subject to an audit and/or enforcement action by the DOL.
- Lawsuits can be filed against the employer and employees administering COBRA benefits can also be personally named in such suits.
- Attorney's fees may be awarded to the prevailing party as well as any court costs.

