

COBRA and HIPAA Administration Services

Please visit www.ceridian.com for more information about Ceridian (NYSE: CEN). Ceridian manages the risks of compliance with two of the federal government's most complex and onerous laws: COBRA (Consolidated Omnibus Budget Reconciliation Act) and HIPAA (Health Insurance Portability and Accountability Act). Ceridian's CobraServ is the nation's largest COBRA and HIPAA administration service provider. We take on the most complex and time-consuming administrative functions involved with these federal regulations. CobraServ assists you in meeting your COBRA and HIPAA compliance responsibilities, which may reduce your liability exposure.

CobraServ strengthens compliance

The regulations that govern administration of COBRA are among the most complex on record. There are several kinds of COBRA notifications, for instance, which must be sent to specific groups at specific times – and each notice must be worded in a specific way.

When COBRA was introduced in 1986, Ceridian was among the first to recognize the far-reaching consequences of the complex Federal legislation – and the first to respond with a comprehensive, cost-effective solution: CobraServ. Today, we are the nation's largest COBRA/HIPAA administrator.

BE AWARE – Penalties for non-compliance

If you are not in full compliance with COBRA, you may be liable for an IRS excise tax of up to \$100 per employee or \$200 per family for each day of noncompliance, and ERISA penalties of up to \$110 per employee per day of noncompliance. Court awards may involve claims costs, attorneys' fees and other expenses. In general, group health plans maintained by an employer with 20 or more full or part-time employees are subject to COBRA.

CobraServ has processed millions of COBRA and HIPAA transactions. Our trained customer service staff has answered millions of questions related to these laws. We keep tens of thousands of employers in compliance every day.

CobraServ strengthens compliance

Our document controls minimize risk

When it comes to compliance, maintenance of COBRA data and documents is crucial. CobraServ takes appropriate precautions to ensure their preservation. We archive all original documentation needed to prove compliance and minimize liability — including original envelopes of late or inadequate payments or elections, QE notices, premium check stubs and Proof-of-Mailing manifests, along with electronic tapes of all data in our system. These items are safeguarded at Ceridian's operations facility for twelve months and are then sent to an off-site facility for long-term professional archiving.

Error-free check processing

CobraServ has adopted many safeguards to provide an error-free system of processing payments in order to maintain compliance. For that reason, CobraServ handles all aspects of COBRA, including check processing. We cannot depend upon less reliable outside means, such as bank lock boxes, to handle the checks we collect.

CobraServ reduces administrative burden

Our core business is the superior administration of the very functions that rob you of time and resources. Ceridian breaks the cycle of explanation, revision and indecision.

We manage continuant issues from start to finish. We deal with the details of audit trails, employee issues, communications, and compliance. We handle mailing, computer support, copies, training, filing, telephone support, billing, collecting, reporting and premium distribution. And when they have questions, your COBRA continuants call us — not you.

CobraServ reduces administrative burden

Save time with easy-to-understand reports

CobraServ supplies you with precise reports aimed at making your job easier. Our comprehensive reports allow you to monitor your organization's COBRA activities. Flexible reporting capabilities allow us to organize our reports to meet your needs. For instance, reports can be organized to detail activity based upon division, subsidiary, hourly/salaried, etc.

Each month CobraServ will provide you with a detailed Participant Status Report that shows all activity for the previous month including notifications sent, initial payments received, and current participants and terminations for the previous month. We also provide you with Participant Update Reports that detail additions to and terminations from COBRA continuant roles. This is an ideal report to use when updating your plan(s) on coverage to be started or stopped. CobraServ sends a Premium Distribution Report to ease your reconciliation process.

Use the Internet to process Qualifying Events

Ceridian's WebQE allows you to notify CobraServ via the Internet when a Qualifying Event takes place. When we designed WebQE, we kept your needs in mind.

- **FAST** – New Qualifying Events can be completed in minutes. Selections can be made instantly, thanks to convenient dropdown list boxes that are unique to your organization. We keep your administrative time to a minimum.
- **EFFICIENT** – From start to finish, the whole process is paper-free. Your own distinct carrier codes and plan names are already provided on the WebQE selection menus, so there is no chance for transposed numbers.
- **A BREEZE TO USE** – Notification of Qualifying Events has never been simpler. Our Web site has been designed for ease of use. You can't go wrong with our navigation guides and easy-to-understand screen instructions.

CobraServ reduces administrative burden

Exceptional client support

Ceridian provides toll-free client support services from 8:00 a.m. to 8:00 p.m. EST to assist your staff. Through our Interactive Voice Response (IVR) system, you can also access specific account information 24 hours a day, seven days a week. We also offer our convenient FAX-BACK service. This on-demand service allows your benefits staff to request faxed reports via our toll-free number, 24 hours a day from a touch-tone phone.

CobraServ provides superior service to continuants

While the litigious nature of COBRA requires that we maintain rigorous standards, we also recognize the importance of providing fair, consistent, compassionate and friendly support to the COBRA continuant. We treat your clients and their continuants the way you would treat them yourself.

In response to Qualifying Events, we mail COBRA Notification and Election forms to Qualified Beneficiaries. CobraServ utilizes USPS Proof-of-Mailing. CobraServ's responsibility, however, doesn't end with sending notices. We go to great lengths to guarantee that all correspondence is received. This includes seeing that otherwise "undeliverable" mail reaches its destination.

CobraServ provides superior service to continuants

Ceridian's optional Elect-By-Net service allows Qualified Beneficiaries to elect COBRA coverage via the Internet. Our CobraServ customers have embraced this popular service as a real time-saver.

IVR, FAX, Internet or CSR support

We provide Qualified Beneficiaries excellent customer service to streamline the COBRA process for them. Anything less could lead to exposure if Qualified Beneficiaries could claim ignorance of their obligations. CobraServ's Elect-by-Phone service allows Qualified Beneficiaries to elect the same coverage they had prior to the Qualifying Event via a toll-free number. We also offer Elect-by-Net, which provides the same reliable service through the Internet.

Qualified Beneficiaries have access to customer service support 12 hours a day via a toll-free telephone number. Ceridian's Customer Service Department provides thorough and accurate assistance to Qualified Beneficiaries from 8:00 a.m. to 8:00 p.m. EST, Monday through Friday. In addition, they may access an Interactive Voice Response (IVR) system 24 hours a day, 365 days a year using a touch-tone phone. This allows them to receive up-to-the-minute premium status information.

CobraServ provides superior customer service

Smooth, fast implementation

It's easy to outsource your benefits administration to Ceridian. We have implemented our benefits administration services for tens of thousands of clients and know how to make the process as simple and painless as possible. Our Implementation Team works with you to make sure that all your concerns and needs are addressed. Make this the year that you streamline your administration processes.

Employers across the country have been successfully transitioned to our services. Our experienced and dedicated Implementation Team works with you to ensure that all of your concerns and needs are addressed upon adoption of our service. Within days, you can begin enjoying the benefits of our services.

Ceridian is able to accommodate a variety of rate and plan structures. Our Health & Welfare database is the largest in the country, and maintains over 500,000 rates. Our infinitely scaleable system is able to accommodate rates and plans of varying degrees of complexity, including specialized and subsidized rates.

Legislative updates keep you informed

CobraServ keeps our clients informed of changes in COBRA legislation. Our Compliance Department conducts intensive, ongoing research and we keep you abreast of compliance issues as they arise.

COBRA Administration Product Profile

Ceridian's standard CobraServ services include the following:

- Audit/takeover of current COBRA continuants
- Administration Kit including all forms and instructions
- Qualifying Event Notification by USPS mail with Proof-of-Mailing
- Processing and adjudication of COBRA elections
- Monthly billing / collections processing
- Grace Reminder letters
- Client and continuant access to account status via the Internet
- A consolidated premium check sent monthly
- Monthly accounting management reports
- Issue update reports – via fax – which itemize participant activities
- 24-hour access to automated information and faxback services
- WebQE Internet processing of Qualifying Events
- Archiving of all records for a maximum of seven years
- Administer disability extensions and dependent Qualifying Events
- Handling of all continuant calls and disputes
- HIPAA Certificate of Creditable COBRA Coverage
- Documentary revisions as required by law
- Ceridian retains the 2% administrative fee paid by COBRA participants

Special Fees for Current Clients of Blue Cross of California:

1. If application received by Ceridian within 30 days of Blue Cross effective date or rate increase date. (not available for existing CobraServ clients)

Set Up Fee	\$200.00
Current COBRA Participant Fee	\$24.00 per participant taken over by Ceridian
New Qualifying Event Fee	\$24.00 per COBRA qualifying event
Minimum Monthly Fee	\$30.00 per month minimum fee

2. If application is NOT received by Ceridian within 30 days of Blue Cross effective date or rate increase date. (available for existing CobraServ clients on their CobraServ anniversary)

Set Up Fee	\$350.00
Current COBRA Participant Fee	\$24.00 per participant taken over by Ceridian
New Qualifying Event Fee	\$24.00 per COBRA qualifying event
Minimum Monthly Fee	\$30 per month minimum fee

Call Now: For information on how to enroll in CobraServ or if you have questions, please call Ceridian at 1-877-548-2794.