



➤ June 21, 2023

# Benefit Spotlight: How to Build, Integrate, and Ensure Compliant FSA, HRA, HSA, COBRA Plans



Presentation By:  
Daniel Lopez

# Before We Begin



We are recording today's webinar

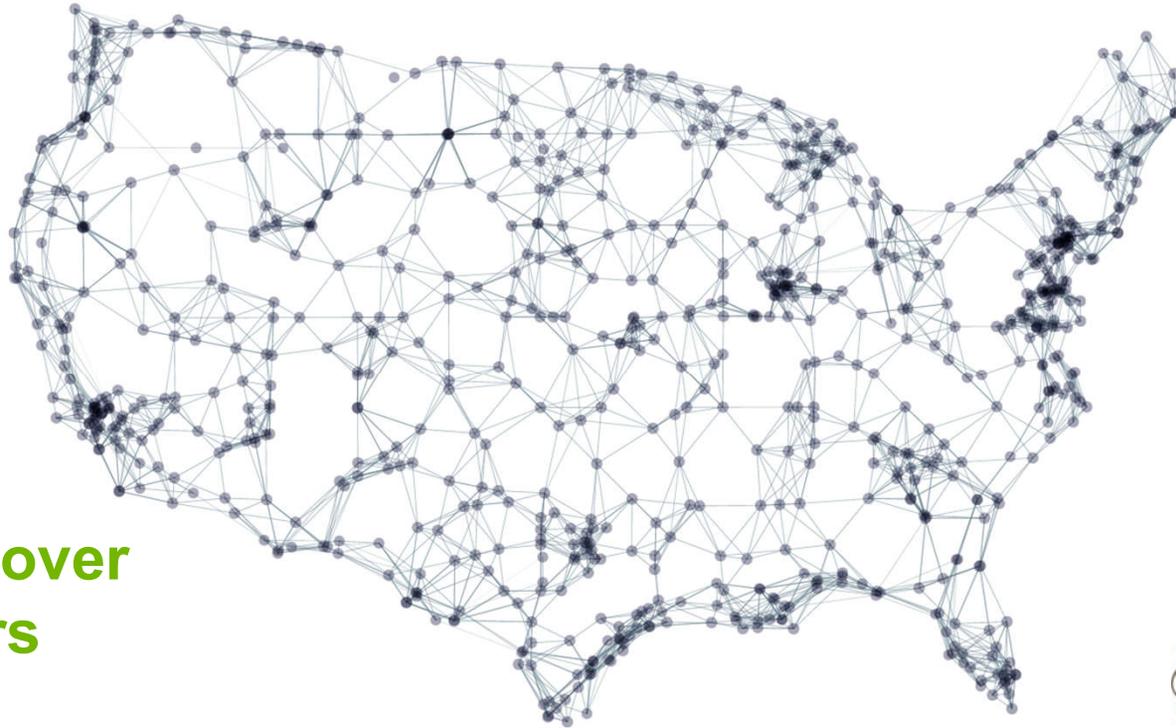


Submit your questions at any time



Please complete the exit survey

# Coast to Coast Administration



**BASIC services over  
20,000 employers  
nationwide.**



# Technology Driven HR Solutions to Take Your Company Further

Suite of HR Benefits, Payroll and Leave Management, and Compliance solutions offered individually or bundled.



## ➤ Presenter



### Daniel Lopez

Daniel is a Regional Sales Director at BASIC with 20 years of professional sales experience. Employers and broker partners trust Daniel to find the right compliance and employee benefit solutions for themselves and their clients, knowing they'll receive personalized service and a level of expertise that exceeds their expectations.

## ➤ Today's Agenda

- Who needs to comply with COBRA and other benefit accounts?
- Common employer pain points in today's benefit administration landscape
- What benefits integrate with COBRA?
- Review BASIC's solution and our new universal user experience
- Q&A

# COBRA Regulations

## ➤ Who must comply with COBRA?

- “COBRA” is the Consolidated Omnibus Budget Reconciliation Act of 1986, as amended
- Provides for COBRA of existing group health plan coverage for qualifying employees, covered spouses and covered dependents
- Three Federal Agencies provide group laws for COBRA:
  - IRS: Internal Revenue CODE (IRC)
  - DOL: Employee Retirement Income Security Act (ERISA)
  - HHS: Public Health Services Act

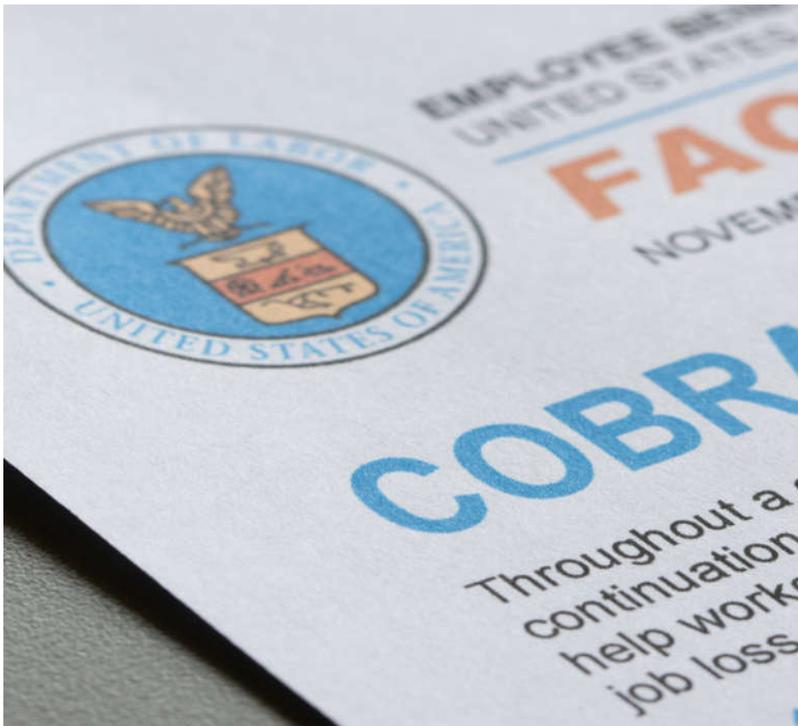




## Who is Subject to COBRA?

- All employers with **20 or more** employees on 50% of their typical business days during the preceding calendar year
  - Part-time employees must be counted on a pro-rated basis
  - Self-employed individuals, independent contractors, and directors are not counted
- Not applicable to the federal Government and church groups

# ➤ Plans Subject to COBRA



## Group Health Insurance Plans

- Satisfies two criteria:
  - 1) provides medical care, and
  - 2) is maintained by an employer

## Dental, vision, and prescription drug plans

## HMO

## Defined Contribution Plans

## Flexible Spending Accounts

## Health Reimbursement Arrangements

## Employee Assistance Plans if medical advice provided

## Wellness Programs

## ➤ Plans Not Subject to COBRA

Dependent Care FSA

Health Savings Account

Long/Short-Term Disability

Life Insurance/AD&D

## ➤ Qualified Beneficiaries



A Qualified Beneficiary (QB) is an individual who is covered under the employer's group health insurance plan on the day before a qualifying event takes place.



The QB is the covered employee and could be the spouse of the employee and any dependent children as well as other covered individuals.



Each QB has the same rights under the group health insurance plan as a "similarly situated active employee."

# Qualifying Events

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**EVENT**

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+

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**LOSS OF COVERAGE**

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=

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**COBRA QUALIFYING EVENT**

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If a Qualifying Event occurs causing a loss of coverage under the group health insurance plan, COBRA must be offered.

# Qualifying Events



- Voluntary Termination
- Involuntary Termination
  - Gross misconduct exception
- Reduction of Employee's Hours
- Death of Employee
- Divorce or Legal Separation
- Medicare Entitlement (in extremely rare circumstances)
- Dependent Child ceasing to be a dependent

## ➤ COBRA Penalties



### **Failure to satisfy notification requirements**

Up to \$110/day payable to the employee or beneficiary

Such other relief as the court, in its discretion, may impose for failure to satisfy notification requirements.



### **Noncompliance with the COBRA rules paid with Form 8928**

Excise tax of \$100/day or \$200/day depending on number of affected individuals

# Risk of Non-Compliance

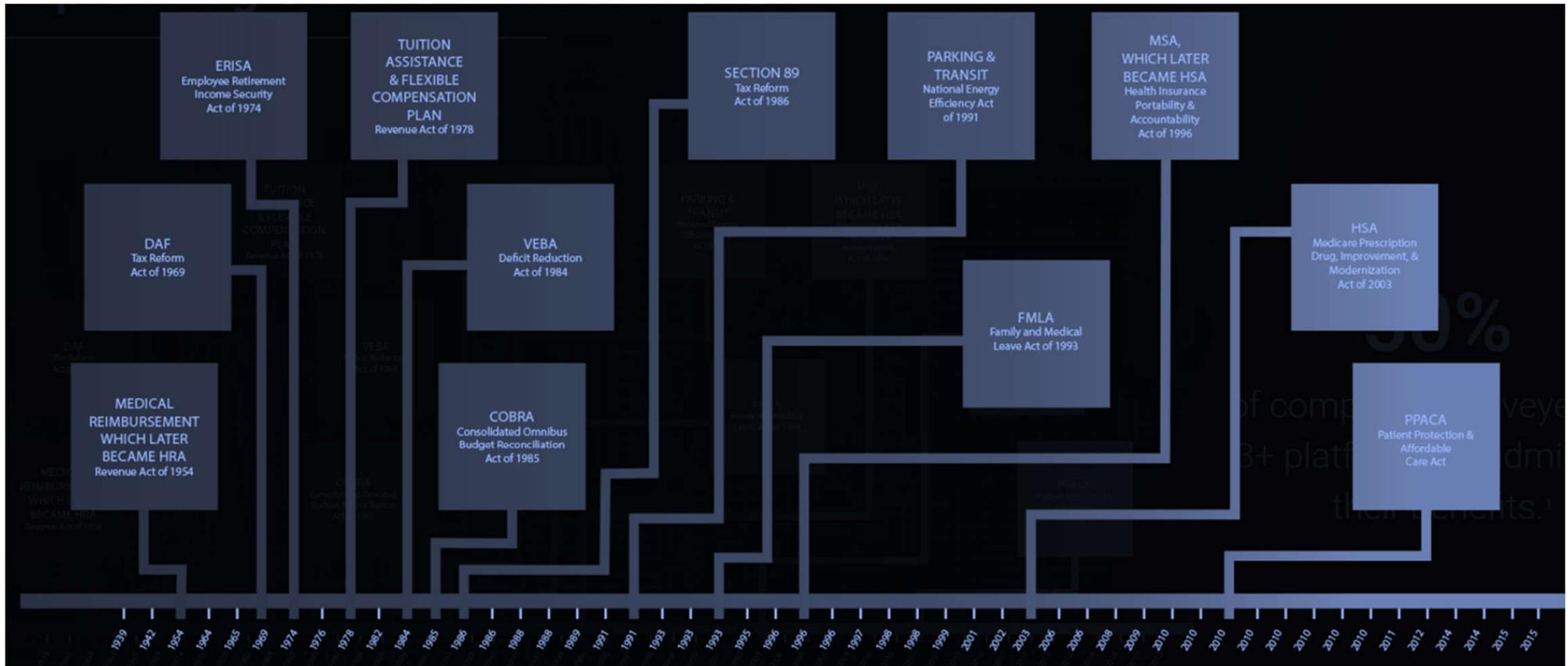
- Greater exposure to litigation
- Risks of fines
- Reinstating coverage to avoid lawsuits can be costly
  - Carriers do not have to reinstate coverage if employer makes mistake
- COBRA participants typically have large medical expenses
  - Employer could be responsible for all claims throughout coverage period
  - Can still collect premium of 102%



# Common Employer Pain Points

Benefits Administration

# Employers Have Too Much to Manage Today



## ➤ What Are Employers Asking For?

Mobile Access for free

Automation

Self-Service

Single Sign-On

Source: <https://userguiding.com/blog/hr-software/>



# Benefits Integration with COBRA

**BASIC's Solution**

## ➤ Understanding the WHY...

- We listened to our stakeholders
- Create simplicity
- Cloud-based platform
- Offer a platform designed around how people think
- Consolidate disparate functions, processes and systems
- Make it easier!



# ➤ Introducing BASIC's New Platform

- ✓ All COBRA & Benefit Accounts on **one platform**
- ✓ COBRA clients have **easy access** to “Endless Aisle” of CDA benefit accounts
- ✓ **Employee-Centric:** respond to & manage diverse needs of workforce at any life stage
- ✓ Vendor **consolidation**
- ✓ **Peace of Mind:** Audit Guarantee and Hold Harmless



# ➤ New Features Customers Will Love

## Improved Feature Functionality

- ✓ Single sign-on for **everything**
- ✓ **Better**, more responsive service
- ✓ Participants pay **their** way
- ✓ **Integrated** web-based & mobile participant experience
- ✓ **Industry-leading** security



## ➤ PLUS, BASIC COBRA clients will still receive...



Open  
enrollment  
assistance



Access to  
comprehensive,  
easy-to-  
understand  
reports



Ability to add  
participants  
& update rates



Ability  
to download  
and manage  
notices



Ability to track  
service  
requests &  
monitor  
service  
activity

# One Platform

COBRA and Benefits Accounts

# COBRA Integrated with CDA



## Choices:

Over 50 benefit accounts available on BASIC's CDA



## Highly Configurable:

Employers create the program **their way** with ability to easily change/add accounts at any time.



## One Platform:

Remove complexity with **one** website, **one** mobile app, **one** login, **one** stacked card and **one** fee per participant per month for all benefits.

## ➤ Consumer Driven Accounts (CDA)

- New integrated system allows employers and participants to manage all their benefit plans on **one card, one website, and one mobile app**
- Choose from a wide range of healthcare benefit accounts like FSA, Simple HRA, or HSA
  - Combine with Dependent Care, Transit, Wellness Rewards, and Education Reimbursement accounts



# Consumer Driven Accounts (CDA)

MEDICAL TRAVEL ACCOUNT											RETIREE FUNDED HRA (FHRA) *				
WELLNESS REWARDS ACCOUNT												MEDICARE HRA *	WELLNESS REIMBURSEMENT ARRANGEMENT *		RETIREE BILLING ACCOUNT *
LIFESTYLE REIMBURSEMENT ACCOUNT	GAS PLUS ACCOUNT	WORK CLOTHES ACCOUNT *										SPOUSAL INCENTIVE HRA *	INTEGRATED FUNDED HRA (FHRA) *		LEAVE OF ABSENCE BILLING ACCOUNT *
GENDER AFFIRMATION REIMBURSEMENT ACCOUNT	BIKE ACCOUNT	HOME OFFICE ACCOUNT *										EMERGENCY EXPENSE HRA *	INDIVIDUAL COVERAGE HRA (ICHRA)		DIRECT BILLING ACCOUNT *
PET INSURANCE REIMBURSEMENT ACCOUNT	TRANSIT ACCOUNT *	WORKPLACE TOOLS *	PROFESSIONAL BUSINESS EXPENSE ACCOUNT *	CHILD ADOPTION ASSISTANCE ACCOUNT *	EMERGENCY LOAN ACCOUNT	STUDENT LOAN REIMBURSEMENT ACCOUNT	EMPLOYEE CRISIS FUND ACCOUNT' *	HOLIDAY CLUB ACCOUNT		LIMITED PURPOSE HEALTHCARE FSA (LPFSA) *		QUALIFIED SMALL EMPLOYER HRA (QSEHRA) *	HEALTHCARE PREMIUM (NESP) REIMBURSEMENT ACCOUNT *	EMPLOYER MEDICAL CREDIT ACCOUNT	COBRA ACCOUNT *
PET CARE REIMBURSEMENT ACCOUNT	PARKING ACCOUNT *	TRAVEL & BUSINESS MEALS ACCOUNT *	EMPLOYEE ACHIEVEMENT / AWARD ACCOUNT	DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT *	EMERGENCY EXPENSE REIMBURSEMENT ACCOUNT	TUITION REIMBURSEMENT ACCOUNT *	EMPLOYER PHILANTHROPY FUND ACCOUNT *	GIVING SAVINGS ACCOUNT		HEALTHCARE FLEXIBLE SPENDING ACCOUNT (HFSA) *	HEALTH SAVINGS ACCOUNT (HSA) *	HEALTH REIMBURSEMENT ARRANGEMENT (HRA) *	EXCEPTED BENEFIT HRA (EBHRA) *	EMERGENCY MEDICAL LOAN ACCOUNT	STATE CONTINUATION ACCOUNT *
LIFESTYLE	COMMUTER	BUSINESS EXPENSE		FAMILY	OTHER	↓	↓	↓		FSA	HSA	HRA		OTHER	CONTINUATION
FRINGE BENEFITS						EDUCATION	GIVING (all 501c3)	WEALTH	HEALTHCARE						PREMIUM COLLECTION

## ➤ One Integrated Experience

- One Platform
- One Single Sign-on
- One Mobile App
- One Debit Card
- Includes:
  - 50+ Benefit Accounts
  - COBRA
  - State COBRA
  - Retiree Billing
  - Leave of Absence Billing



## ➤ Even more value...

- Access to Plan Advisors to help create a unique, attractive benefits program
- Reduce payroll taxes with pretax benefits
- Get **unlimited** benefits at one low rate
- Quickly review/track important benefit activity and information all within one system
- Efficiently enroll/manage employees throughout their employment lifecycle



The background of the slide is a complex geometric pattern of overlapping triangles and quadrilaterals in various shades of blue, ranging from a deep navy to a lighter, muted blue. The shapes are arranged in a way that creates a sense of depth and movement. The text 'Universal Experience' is centered horizontally and positioned in the lower half of this blue area.

Universal Experience

# Universal Experience

- Access to view benefit and COBRA accounts in ONE system
- Participant Mobile App
- Single Sign On Employer Portal
- Online Support Request
- BASIC Card for hassle-free reimbursements



# Employer Overview

Manage all benefit and COBRA accounts from one portal!

The screenshot shows the 'Employer Overview' dashboard for 'ABC Company'. The top navigation bar includes 'OVERVIEW', 'EMPLOYEES', 'OFFERINGS', 'TRANSACTIONS', 'FILES', 'REPORTS', and 'INVOICES'. A balance of '\$14,000.56' is displayed in the top right. The main content area is divided into several sections: 'EMPLOYEES' with an 'Add employee' and 'Add event' button; 'PLANS' with a table of active plans; 'TRANSACTIONS' with a list of recent transactions; and 'SUPPORT REQUESTS' with a 'New support request' button. Red callout boxes highlight key features: 'View and manage employees, plans and transactions.' (pointing to the navigation bar), 'New reports that are auto-generated regularly.' (pointing to the 'REPORTS' tab), 'Add eligibility events for eligible employees.' (pointing to the 'Add event' button), 'All benefit and COBRA plans are listed in the Plans Section for easy access.' (pointing to the 'PLANS' table), and 'Easy access to Support Requests and their status.' (pointing to the 'New support request' button).

Plans	Active	Employee contribution	Employer contribution	Expenditures	Remittance
Health FSA	20	\$1,000,000	\$1,000,000	\$1,000,000	-
HSA	30	\$750,000	\$750,000	\$750,000	-
HRA	100	-	\$750,000	\$500,000	-
COBRA Medical	50	-	-	-	-
COBRA Dental	10	-	-	-	-
COBRA Vision	5	-	-	-	-
Leave of absence	1	-	-	-	\$10,000

Date	Status	Amount	Details
10/17/2022	Settled	\$2,300.00	COBRA remittance
7/1/2022	Settled	\$2081.15	Lorem ipsum dolor sit amet
6/15/2022	Posted	-\$19.99	<External Plan name> -<payee name> - Remittance
6/1/2022	Posted	-\$5.00	<External Plan name> -<payee name> - Remittance
5/15/2022	Posted	-\$12.90	<External Plan name> -<payee name> - Remittance
6/1/2022	Posted	-\$5.00	<External Plan name> -<payee name> - Remittance
5/15/2022	Posted	-\$12.90	<External Plan name> -<payee name> - Remittance
6/1/2022	Posted	-\$5.00	<External Plan name> -<payee name> - Remittance

# Employer Overview

Easily access all benefit and COBRA account reports

Access all reports in one location. Reports are auto-generated regularly.

**ABC Company**

Alerts Support Settings **Amelia**  
ABC Company Incorporated

OVERVIEW EMPLOYEES OFFERINGS TRANSACTIONS FILES **REPORTS** INVOICES

## REPORTS [More info](#)

### ADMINISTRATION REPORTS

Last update 08/18/2018 5:45 AM CST

**Benefit Plans**

- Enrollment ⓘ
- Participant Balance Summary ⓘ

**Continuation Plans**

- Continuation ACA ⓘ
- General Information Notice Substantiation (GIN) ⓘ
- Coverage Change ⓘ
- Payment Account Summary ⓘ
- Plan Structure ⓘ

### FUNDING REPORTS

Last update 08/18/2018 5:45 AM CST

**Benefit Plans**

- Finalization ⓘ
- Funding ⓘ
- Payroll Verification Report (PVR) ⓘ
- Point of Disbursement (POD) ⓘ

**Continuation Plans**

- Rate Table Summary ⓘ

### FINANCIAL STATEMENTS

Last update 08/18/2018 5:45 AM CST

**Benefit Plans**

- Month End Statements ⓘ

**Continuation Plans**

- Remittance ⓘ

# Participant Overview

Benefit and COBRA accounts in one place!

All participant accounts are listed on the Overview Page for easy access.

The screenshot displays the MyCash Participant Overview page. At the top right, there is a 'MyCash balance' dropdown. The main content is divided into two columns. The left column lists accounts with their balances and due dates: COBRA (\$1,284.00 due 11/1/2022), Retiree Billing (\$223.80 due 11/1/2022), ABC Company FHRA (\$500.00 available balance), and ABC Company FSA (\$356.68 available balance). The right column contains four sections: 'How do I make a payment?' with a 'Make a payment' button, 'Where's my reimbursement?' with a 'Request a reimbursement' button, 'Have a bill to pay?' with a 'Pay a provider' button, and 'RECENT TRANSACTIONS' with a 'View all' link. The transactions list includes a payment of -\$223.80 for Retiree Billing, a dental expenditure of -\$87.02 for Mile high Dental, a BBVA Checking transfer of -\$100.00, an Ace's Liquor expenditure of -\$48.19, and a Paddington Preschool Reimbursement of +\$208.33.

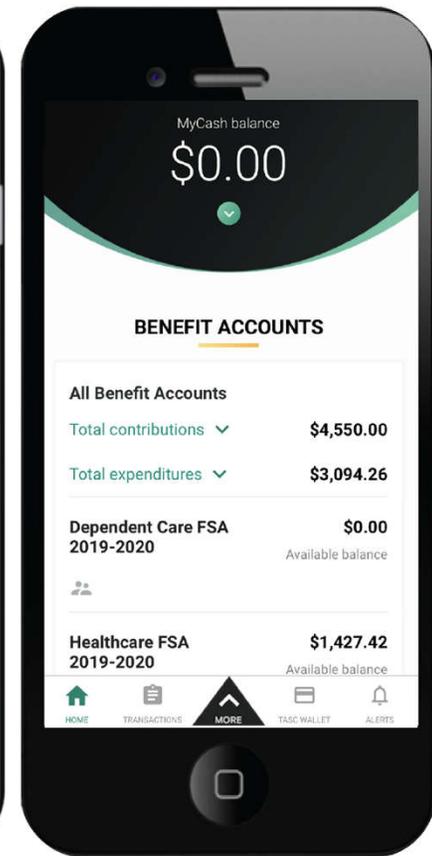
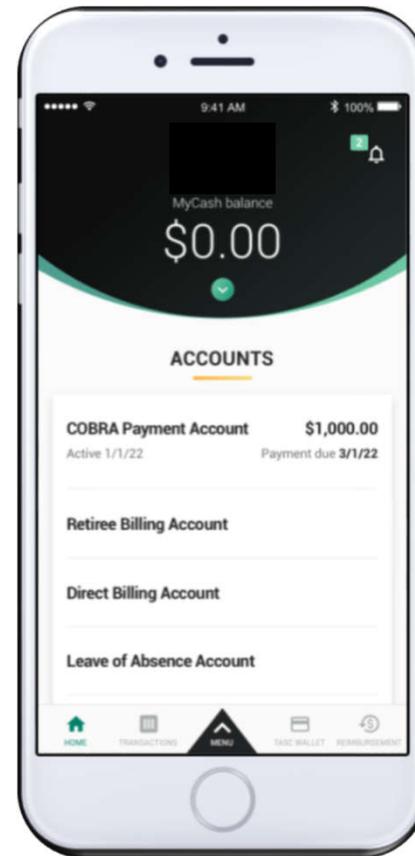
Account	Balance / Amount	Due Date
COBRA	\$1,284.00	11/1/2022
Retiree Billing	\$223.80	11/1/2022
ABC Company FHRA	\$500.00 Available balance	
ABC Company FSA	\$356.68 Available balance	

Transaction	Date	Amount
Payment	01/24/18	-\$223.80
Mile high Dental Expenditure	01/22/18	-\$87.02
BBVA Checking Transfer	01/21/18	-\$100.00
Ace's Liquor Expenditure	01/17/18	-\$48.19
Paddington Preschool Reimbursement	01/17/18	+\$208.33

Quick button to make a payment.

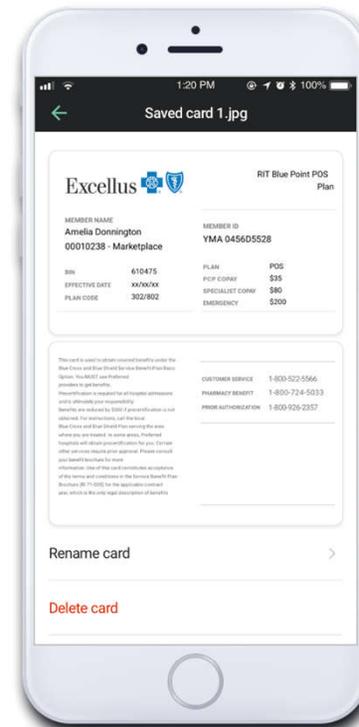
# ➤ THE BASIC MOBILE APP

- Free download:
- Innovative Features:
  - Biometric Security: Touch ID and Facial Recognition
  - Mobile Alerts
  - BASIC Wallet
    - Receipt Repository
    - Card Management and Holder
  - COBRA participants can pay their premiums
  - Pay by Credit Card, check and/or ACH



## ➤ BASIC WALLET ON MOBILE: Card Holder

- Easy and convenient access to cards of all types (BASIC Card, insurance cards, credit cards)
- Secure and easy uploading



# BASIC's Platform and Benefits



**ONE Integrated System**



**Hire best employees**



**Increase employee retention and loyalty**



# Before Q&A



Slides are in  
the handout  
section



Receive an email  
tomorrow with  
the recording



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complete the  
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# QUESTIONS

View our current webinar schedule at  
[www.basiconline.com/webinar](http://www.basiconline.com/webinar).



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