COBRA

EDI File Companion Guide

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COBRA EDI File Companion Guide – P&A Group

GENERAL OVERVIEW

The P&A Group offers file transfer options to manage COBRA administration. Files can be used for managing new hire and termination processes needed to administer your COBRA plan. P&A offers an FTP option for uploading files. Proper file transmission and file formats will be determined and reviewed during initial request.

The client must be setup in P&A's COBRA administration system before the file transfers can be programmed. The COBRA administration system produces codes that are used to set-up COBRA EDI file fields. The COBRA implementation process consists of a number of predefined processes. To start the process, your sales associate submits a COBRA "Group Application" to the P&A COBRA department.

On the Group Application, under the company information section, there are a series of questions referring to how the customer will submit new hires and terms. When the customer selects "file feed", they must complete the basic contact information on the "Preliminary Questions for File Feed" form. P&A will use the contact information to reach out and gather specific information needed to setup a file feed.

When the COBRA department receives the Group Application and the Preliminary Questions for File Feed documents, a file coordinator, EDI coordinator and a benefit specialist will be assigned. The file coordinator will contact the appropriate parties based on the "Group Application" and the "Preliminary Questions for File Feed"

The file coordinator will deliver all detailed documents pertinent to the COBRA EDI file implementation and answer any initial questions. The P&A file coordinator will also set up an initial call between the client, P&A EDI coordinator, and P&A benefit specialist . The EDI coordinator will analyze the file data and report the results. The benefit specialist will be available to answer any questions on COBRA rules and regulations. Send all inquiries with regard to EDI file set-up and file transmission to ftp1@padmin.com.

We strongly recommend reviewing the "Information to Consider" section found in this guide, which details what fields should represent. While we prefer to receive a test for each event, we understand that this may not be possible. For this reason, we strongly encourage the person responsible for creating the file feed to have a strong understanding of COBRA Qualifying Events. This test includes the review of employee and dependent data elements, where applicable, based on the date the event occurred as well as the qualifying event type.

**It is very important that the person creating the EDI file have a strong understanding of COBRA and what is expected of them in regards to data transfer.

METHOD OF FILE TRANSMISSION

FTP processes must be used to transfer EDI files. P&A will send the customer an FTP Request form. After submitting the form to P&A, we will assign a user name and password for the file transfer process. This method takes advantage of SFTP, SSH version 2.0 protocol. The customer will be responsible for initiating transferring of the files to the P&A FTP site.

If the customer wishes to send P&A a notification that a file has been placed on the FTP site, notifications can be sent to ftp1@padmin.com.

If the customer wants P&A to send notifications to them when a file is received, please let your file coordinator know and a notification process can be established.

FILE SUMMARY

A detailed spreadsheet outlining complete file specifications is provided to you in a separate document. The file is broken down into five segments: a header, employee (EMP), benefit (QBR), coverage (PCR), and trailer record.

In the header record, you will code the file date and the file originator's name and email. The P&A COBRA warehouse uses this information to update the file-received schedules.

The trailer record includes file record counts to ensure all records are imported into P&A systems. The P&A COBRA warehouse detects if record counts recorded on the trailer do not match the file details. If record counts do not match, the file will be rejected.

The EDI file can report benefits that end at different times during the month: if, for example, medical coverage terminates at the end of the month, but dental coverage ends on the participant's termination date. See more examples under Coverage Cease Dates on the Important Information to Consider page.

The EDI file accommodates subsidized rates. Contact your P&A EDI coordinator if you need more information.

See Excel document for further detail.

FILE RULES

- You may choose to submit two separate files (terms vs. initials) or send a combined file
- Quality control process must be complete and signed off on before file will be put into production
- P&A will not make any manual changes to production files
- Ongoing files should be changes-only files.

The EDI file must:

- have all fields enclosed with quotes
- be comma delimited
- be saved with a .CSV extension
- follow the prescribed naming conventions
- contain a header record
- contain a trailer record

FILE SCHEDULE

P&A will create a file transmission schedule for each file. P&A will monitor the receipt of files by P&A based on that schedule. File transmission schedules will be established once the file is ready for production. P&A will notify the customer if files are not received according to the schedule. Therefore, if no COBRA events occur during a file period, send a blank file, with only a header and trailer record.

FILE NAMING CONVENTIONS

File naming conventions must be used in order to process a file.

File name = **COBRA_CompanyNumber _YYYYMMDD.CSV**

The P&A company number is issued by the P&A file coordinator on your file specifications account structure.

Test file(s) must have **TEST** in the file name: **COBRA_CompanyNumber_TEST_YYYYMMDD.CSV**

QUALITY CONTROL AND TEST PLAN OVERVIEW

Ensuring data integrity is vital to administering your COBRA plan. Newly eligible and termed employees must be reported promptly and accurately to comply with Federal COBRA regulations. The P&A file coordinator and P&A EDI coordinator, together are responsible for initiating, performing and signing off on the testing processes. Below is an overview of the test plan used by P&A to approve the transfer of an electronic download file for the purposes of reporting newly eligible and termed employees (or dependents where applicable) to P&A.

The estimated timeline for approval will depend on your ability to provide COBRA information accurately in the structure and format specifications provided to you. The P&A EDI coordinator will run your file through a **test environment** to ensure that there are no problems. The P&A EDI coordinator will provide a report of your test results with corrections that should be made prior to processing the first production file.

TESTING OVERVIEW
P&A will conduct three classifications of testing: Connectivity, Structure, and Integrity.

(1) Test 1: CONNECTIVITY: The purpose of the connectivity test is to ensure that the file transfer function operates properly. This test includes the review of the naming convention, and the ability to upload a file to P&A's SFTP site.

(2) Test 2: STRUCTURE: The purpose of the structure test is to ensure that the file is programmed to the provided specifications. This test includes a review of the use of file delimiters, record start and end, data positioning, and the ability to be imported accurately into P&A's data systems.

(3) Test 3: INTEGRITY: The purpose of the integrity test is to ensure that the information on the file makes logical sense and contains all the necessary information to process Initial Rights and COBRA notices. This test is the most crucial part in determining your ability to provide P&A with accurate and timely information.

APPROVAL
Once the P&A EDI coordinator approves the test file for all three classifications of testing, they will notify the client and P&A benefit specialist. At this time, the first production file date will be established and the file schedule will be activated.

Important
Test File Naming Conventions
Test file(s) must have **TEST** in the file name: **COBRA_CompanyNumber_TEST_YYYYMMDD.CSV**
If the word test is not included, the P&A file warehouse will pick up the file and process it as a production file.

ERROR HANDLING
In the event a production file is received with errors on the file (i.e., missing dates, bad tier codes, missing records) the bad records will be removed, and the remaining records processed. A notification of the removed records will be reported to the customer and the EDI contact.

Correct the error records and resubmit them on the next scheduled file. Do not resend the original file. If the original file is resubmitted, the P&A COBRA warehouse will reject the entire file.

An alternative to adding the person to the next file is to resubmit the person using P&A's web portal, HR Connect.

Error types
1.   Bad record on file
2.   Blank files - If a file contains a header and a footer record the file will not be considered blank
3.   No file sent

QUALIFYING EVENT CODES

We understand you may not be able to create test data for all possible COBRA qualifying events; however, we strongly recommend that you familiarize yourself with COBRA qualifying events to ensure all qualifying scenarios are reported to P&A during production.

See Excel document for further detail.

IMPORTANT INFORMATION TO CONSIDER

When **Qualifying events** affect members that have multiple dependents, you must create a QBR for each dependent, and a PCR for each benefit for each dependent.

Coverage cease dates - The coverage cease date depends on how the company has set up their benefits for qualifying events. If the benefit ceases on the last day of the month, and the participant terms 9/10/2019, then their coverage cease date would be 9/30/2019. If the benefit ceases on their termination date, and the participant terms on 9/10/2019, then their coverage cease date is 9/10/2019. Coverage cease dates depend on the benefits the company has implemented with their insurance carrier.

Effective date - The effective date of a participant's benefit will depend on how the company's policies allow coverage to start. For example, some companies have a probationary period for employees and they do not allow the employee to enroll in benefits until after this period. If the company has a 60 - day probationary period typically the employee will not be eligible for benefits until the first of the month following the 60 days. An example is if an employee is hired on 9/10/2019, then they will not be eligible for benefits until 12/1/2019. This effective date will depend on the policies that the company has implemented.

Effective dates are not needed for non-Qualifying Events.

New hires (Initial Rights notices) - Reporting newly hired employees is critical to maintaining COBRA compliance. New hires can be reported using a generic "Initial" benefit and not the employee elected benefit(s).

FSA and HRA plan - There are two different scenarios concerning the COBRA administration of FSA and HRA benefits. If P&A administers the FSA and / or HRA plans for the company, then the files must contain the annual election amount for the employee. If FSA and / or HRA plans are not administered by P&A the file must list the plan's administrator.

Divorce and dependents aging off - In order to process these qualifying events the file must contain the benefits in which the employee and dependent were enrolled prior to the event date.

Tier Code Reporting - For all COBRA Qualifying events, the tier code provided should be the tier code that the Employee has **at the time the Event occurred.** The tier code should not represent the code that the participant **will** have due to the Event.

P&A Administration – If the COBRA file is not approved for production prior to the P&A Service Start Date, the client will need to provide COBRA notifications using another method of transfer. This may include our website portal HR Connect, fax, mail, email, or another file layout (**must be approved by P&A representative**). Please contact your Plan Administrator or File Coordinator for more information.

COBRA Files Containing Open Enrollment Records - During the customer's open enrollment period please continue to send New Hires and Qualifying Events to the P&A Group. Active employees switching to a new benefit are not to be sent on the COBRA file as this is not a qualifying event. Current employees should be sent on the COBRA file only if they have added a dependent or if this is the first time enrolling in a COBRA eligible benefit.

For example:

- Sally Jones had Medical coverage with current year and adds dental coverage – do not send on file

- Sally Jones hired 1/1/2000 never enrolled in benefits. This year the company adds medical coverage, which Sally elects – add to file (new member)

- Sally Jones adds spouse during open enrollment to medical coverage - add medical coverage to file (new member)

- Sally Jones removes spouse during open enrollment – do not send on file