

HR Concepts, LLC

"Your Third Party Administrator of Choice"

COBRA Administration Proposal

2011 Plan Year

Presented By:

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Company Overview

Our Mission

“Our mission is to be dedicated to providing an administration solution that addresses the overwhelming changes in the benefits market today, with a focus on member satisfaction, ease of use, and an advanced technology platform, at the most cost effective price.”

Peter H. Jennings, Founder
Human Resource Concepts, LLC

Our Background

HR Concepts, LLC was founded in 2001 with the sole purpose of becoming a company’s “Single Source Solution” to Third Party Administration and Benefit Consulting/Design. We have grown to be among the leading TPA’S in New England by offering similar services as our competitors, but with a focus on delivering exceptional customer service, utilizing an enhanced technology platform, and distributing our services through a brokered/association focused channel. HR Concepts has positioned itself competitively by offering service enhancements that other Third Party Administrators don’t offer, and by utilizing technology, we have been enabled to deliver our services with a new marketing appeal at a reduced cost of administration. Our exceptional customer service focus and commitment to this space has enabled HR Concepts to stand out as a regional leader in Third Party Administration.

Our Approach

The outsourcing of certain key functions of a company has been a growing trend that employers are utilizing to maintain expenses, stay current with all the new compliance regulations, streamline and become more effective in certain overhead draining expenses, and to allow companies to focus on their core business elements. HR Concepts offers full service third party administration at wholesale pricing. We handle all of a client’s benefit administration needs, documents, compliance, and employee education, at a fraction of the cost of our competition. Our services are delivered through insurance brokers and associations which enable us to reduce our cost of marketing and certain business overhead costs. HR Concepts is comprised of multiple layers of services, that when combined, the depth of our capabilities, provides a “Single Source Solution” to manage all of a company’s benefit administration needs.

Our Commitment

HR Concepts offers services that consist of Third Party Administration (Flex Plans, HSA’s, Commuter Plans, HRA’s, Dental Plans, and COBRA), and Benefit Consulting / Design. Though many companies offer these services individually, no one combines the expertise of each and delivers them to the marketplace under one umbrella, “A Single Source Solution”. We are committed to taking the needs and uniqueness of each of these services, combined with the talent and experience of our staff, and deliver them to our clients with a focus on exceptional customer service, integrity, honesty, and a fair price. Our firm is an employer’s “Single Source Solution” to Benefit Administration.



Outline of Services

Initial Setup / Installation / Take-Over

1. Initial Consultation

Whether your employer has COBRA participants or not, HR Concepts will take the time necessary to develop the best procedure to handle the transition of current COBRA participants and notification of new COBRA eligible employees. We will integrate with your existing process and implement our procedures, which you customize, to keep your companies in compliance.

2. Current COBRA Participants

After all the procedures are outlined, HR Concepts will send all current COBRA participants a letter detailing who we are and where they are to send their payments. Along with this letter will be a new coupon booklet or invoice for remittance of premiums.

3. New Hire Letter update

Regulation requires that newly hired employees need to receive notification that they are COBRA/HIPAA eligible in the event that they are terminated or have a qualifying event. If your companies currently use a letter for new hires, we will review it to make sure it is in compliance. If a company prefers, HR Concepts will design and provide a new hire letter for COBRA/HIPAA eligibility notification.

Employee Communications

1. New Hire Letter

HR Concepts will provide a new hire letter for each employer. You have a choice of either HR Concepts mailing this letter for all new hires or you can provide it to them with the rest of their new hire literature/benefit information.

2. Terminated Employee COBRA Notification Letter

Upon notification of termed employee, HR Concepts will send out a COBRA notification letter along with a HIPAA letter indicating the employee's options.

3. Open Enrollment Letter

Upon open enrollment, HR Concepts will send out an Open Enrollment Letter to each Qualified Beneficiary, outlining the Group Health Plan(s) the Qualified Beneficiary is eligible for under COBRA at the request of the employer.

4. Acknowledgement Letter / Coupon Remittance Labels

If an employee elects COBRA, then HR Concepts will send an acknowledgement letter indicating the acceptance along with coupon remittance labels for the employee to use for submitting their premiums each month.

5. Termination Letter

If an employee fails to make their premium payments, then HR Concepts will send the COBRA participant a letter indicating the termination of their benefit plan. This letter will also be sent at the end of the COBRA eligibility period.



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Outline of Services (Continued)

On-Going Administration Services

1. Daily Administration

Whenever an employer has a qualifying COBRA event, they would log onto the online COBRA Point account provided by HRC, and submit the qualifying event information to HRC for processing. After receiving this notification, HR Concepts will send out the COBRA/HIPAA eligibility letter to the employee. If an employer or COBRA participant has any questions, they can call anytime during normal business hour and speak with the administrator assigned to their account.

2. Monthly Administration

Once a month HR Concepts will remit the premiums paid by COBRA participants to employer via one check along with a report detailing the payment. Whenever necessary, HR Concepts will communicate with the provider to handle billing questions or disputes. If a COBRA participant doesn't make their premium payment, then by notification of employer or after a 31 days grace period, a termination letter will be sent to the COBRA participant along with a HIPAA letter. The employer will be notified monthly of terminations.

3. Annual Administration

HR Concepts will notify each COBRA participant annually of any renewal and provide an annual report detailing all the COBRA activity.

4. Vendor Reporting / Communication

If a provider / vendor allows for a third party administrator to communicate with them, then HR Concepts will interface with them via telephone, fax or email. If an employer prefers, we will handle the termination / reinstatement with the provider / vendor. Upon the participant no longer being able to have COBRA or by failure to make payment, then HR Concepts will terminate the participant with the provider / vendor.



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Implementation and Ongoing Administration Schedule

Phase I

1. Application taken
2. Integration of New Hire Letter
3. Existing COBRA members notified
4. Setup/Installation charges billed (Due within 30 days)

Phase II

1. Employee has qualifying event
2. Employer Notifies HR Concepts via the COBRA Point online portal
3. HR Concepts mails letter to COBRA eligible

Phase III

1. COBRA member elects COBRA
2. HR Concepts mails coupon booklet / labels or invoice
3. HR Concepts notifies company and provider of election
4. Daily answering of questions
5. Monthly remittance of premiums with vendor reporting
6. Billing for administration (Due within 30 days)

Phase IV

1. Periodic plan administration termination of COBRA members
2. Ongoing provider / vendor interaction for billing and reinstatements / terminations
3. Annual renewal information mailed to COBRA members
4. Renewal Fee billed (Due within 30 days)



Fee Schedule

HR Concepts is a full servicing Third Party Administrator. Our philosophy on pricing is to include all of our services for the plan you purchase for one simple fee. We do not have any additional charges other than what is outlined below. COBRA pricing, regardless of the options chosen, will have an installation price, renewal fee, and when applicable, a qualifying event notification fee. All of the services outlined with this proposal are included in our pricing model. We appreciate a company's necessity to gather competitive pricing to compare costs, so if there are any questions or comments on our pricing / services, please don't hesitate to ask. Thank you for considering HR Concepts, LLC as your Administrator of choice.

COBRA Initial / Renewal Fees

Installation:	\$695	
	\$495	If a current HRC client or if implementing along with another service offered by HRC.
Renewal:	\$395	

COBRA Administration Fees

New Hire Letter - \$5 per letter that HR Concepts mails to new employees

Initial COBRA Notification / Administration – \$25 per notification / takeover
(Includes COBRA letter set and HIPAA Notice)

Open Enrollment Letter – \$25 per letter

Ongoing Administration – 2% of the premium billed
(Per COBRA elected participant, paid by participant)

HR Concepts does not charge for any additional services, and we will rate lock these rates for 2 years. If additional services are asked for that are not outlined within this quote, then HR Concepts reserves the right to increase its fees or charge accordingly to the service requested. You would be notified of any possible increase prior to services being rendered.