

«Name»
«Company»
«Address1»
«Address2»
«City», «State» «PostalCode»

Dear «Salutation»:

As you are probably aware, the Consolidated Omnibus Budget Reconciliation Act/New York State Continuation (COBRA/NYSC) has required many employers to make their health care plan available to terminated employees. Like most employers, you have probably found this program confusing, burdensome, and costly. In response, T XUA^ap@Care is pleased to offer you our **COBRA/NYSC Billing Program** at no additional cost.

Since every employer has their own unique needs, we have developed two options from which you can choose:

1. **Direct Bill**

We will bill the terminated employee directly for the full premium, plus the charge equal to the 2% allowable to cover the administrative expenses.

2. **Employer Bill**

This option would allow you, the employer, to collect the premium from your COBRA/NYSC beneficiaries and remit to T XUA^ap@Care those premiums along with your normal monthly billing.

Enclosed for your review are the necessary forms and agreements, and some additional information to assist you in your decision. On behalf of T XUA^ap@Care, we'd like to take this opportunity to thank you for your continued support of our health care plan. We appreciate the opportunity to serve you and your employees, and look forward to continuing our relationship for many years to come. If there is anything you need or require, please contact your account representative.

Sincerely,

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T XUA^ap@Care Sales and Broker Relations Department

Dear Employer:

Please complete the following information and return it to:

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TXUP^ad@Care
Sales Department
220 Alexander Street
Rochester, NY 14607

Billing Election - Please select the option you prefer:

1. Would like MVP Health Care to administer the billing for our COBRA/NYSC subscribers.
(If you select this option, you must sign the enclosed Administrative Agreement.)
2. Would prefer to collect premiums and remit the payments with our COBRA/NYSC group bill for our COBRA/NYSC subscribers.
3. Would prefer my Third Party Administrator (TPA) to collect premiums and remit the payments with our COBRA/NYSC group bill for our COBRA/NYSC subscribers.

Designated TPA: _____

4. Would prefer my Broker to collect premiums and remit the payments for our COBRA/NYSC group bill with our COBRA/NYSC subscribers.

Designated Broker: _____

Employer Group Name: _____

Signature: _____

COBRA/NYSC Billing

MVP Health Care will set up a COBRA/NYSC Group with a separate group number for our Employer Groups if requested. Otherwise, MVP Health Care will assume that COBRA/NYSC beneficiaries will remain in the active Employer Group group number. The numbers "77" at the end of each group number will identify a COBRA/NYSC group. (Example A000000077)

Schedule of Events

A.) Notification and Election of Coverage.

1. The Employer must offer the COBRA/NYSC continuous coverage option at the time of termination of the qualified beneficiary from their Group. Said offering should be documented in Employer's files. An election confirmation form and an enrollment form are to be provided to terminating employee.
2. The Employer terminates the subscriber from the Group using a MVP Health Care change form.
3. MVP Health Care will terminate the subscriber from the Group billing and offer the conversion to a direct bill contract.
4. The qualified beneficiary has 60 days in which to respond to the Employer Group. If the qualified beneficiary decides not to take the option, no further action is necessary.

B.) If you, the Employer, administer the COBRA/NYSC benefits:

1. If you include COBRA/NYSC beneficiaries within your active group and handle the billing – no changes are needed.
2. If you do not include COBRA/NYSC beneficiaries within your active group and have a separate group for COBRA/NYSC members, notification is sent to MVP Health Care to switch the beneficiary to the COBRA/NYSC group. Upon notification, all billing and payment procedures will be handled in the usual manner with the COBRA beneficiaries in a separate group.

C.) If MVP Health Care is to administer the billing of COBRA/NYSC for an Employer Group:

1. Complete a change form terminating the subscriber and forward it to MVP Health Care.
2. Send a new completed enrollment form indicating the COBRA/NYSC beneficiary and Group name. MVP Health Care will handle the billing process.
3. MVP Health Care will bill the beneficiary on a monthly basis. A service charge equal to 2 % (percent) of the premium will be included.