

# COBRA and Billing Remittance

WEX will manage the COBRA remittance process by collecting monthly premiums from your COBRA and Direct Bill (“Billing”) participants and transferring those funds to your company. The following remittance overview provides important details about this process.

## Premium Collection and Fund Transfer

Premiums are collected from COBRA and Direct Bill members.

These funds are sent to your company monthly, **no later than the 15th business day of each month.**

The funds transferred include premiums received for the current month and any premiums received for previous months since the last remittance was processed.

Funds are sent either via **check or electronic funds transfer (EFT).**

If funds are sent via EFT, an Automated Clearing House (ACH) notification is sent to inform you of the amount and the expected direct deposit date.

## The Remittance Report

The **Remittance Report** is a key document located within COBRAPoint that lists members from whom premiums have been collected since the last monthly report.

**Availability:** The report is available for download within LEAP on approximately the 15th business day of each month. It’s recommended to run this report after your company receives the monthly remittance payment.

**Contents:** The Remittance Report provides important information, including:

- Remittance period start and end dates, identifying the billing period and premiums paid.
- Division details, showing premiums collected, sorted by division, month, plan, and carrier.
- Member details, displaying individual members, premium, administrative fee, total amount paid (premium + 2% administrative fee), and subsidy information (if applicable).
- It also indicates what amount is being sent to you or the amount you owe.
- The “Includes Through Premium Due Date” shows the last day of the month for which premiums have been collected and remitted.

**Reconciliation:** Your company is responsible for reconciling carrier invoices with the Remittance Report each month to ensure that carrier invoicing matches the system’s records. Any discrepancies in members, plans, coverage levels, and rates should be reported immediately.

**Timing Discrepancies:** Members may be included on a carrier invoice for a particular month but not on the Remittance Report for that same month. This can happen if a payment is made or postmarked late in the month (e.g., January 30th payment for January premium), causing it to be included in the Remittance Report for the following month (e.g., February). Carriers often send invoices in advance, which can cause this mismatch.

## Negative Remittance

A **negative remittance** occurs when your company owes funds after the remittance has been completed.

**Causes:** This can be due to administrative fees for subsidized participants, termination of coverage after premiums were already sent, or retroactive changes to participant accounts for previous months.

**Resolution:** If there's a negative remittance, collected funds are first withheld. A negative balance appears if there are no funds to withhold or if the amount exceeds what was collected.

**Viewing:** You can view the negative remittance balance under the **Company Details & Plans tab in LEAP** or within the Remittance Report itself.

**Note:** A negative remittance balance does not reflect funds due from carriers.

## Impact of Participant Account Changes

Changes made to participant accounts, especially those with allocated payments, can cause previously remitted payments to be unallocated and then reallocated.

**Retroactive changes** affect the amount due by plan or participant for one or more previous months.

**Actions causing retroactive changes** include new enrollments, coverage level increases or decreases, plan rate increases or decreases, and changes or removal of subsidy amounts.

**Adjustments on the Remittance Report:** Most unallocated and reallocated funds result in a net change of \$0 without actual money movement, but the Remittance Report will include additional lines for these adjustments. These adjustments are listed first at the top of the report, organized by plan, carrier, participant, and month. If a change affects multiple months, adjustments are listed separately for each month. For example, if a participant's coverage is retroactively terminated, the subsequent remittance will include adjustments to account for the previously remitted, higher premium and remit the correct, lower premium.

## Running and Downloading Reports in LEAP

To run COBRA reports, you typically select **COBRA Administration** in the side navigation bar, then Imports & Reports, followed by the applicable reporting category (e.g., Accounting Reports or Standard Reports). You choose the desired report and provide parameters like report format (CSV text file is common for sorting) and email addresses for notifications.

Reports can also be set up to run on a recurring schedule.

After clicking "Run Report," it will be available in the **Job Queue**.

To download a report, navigate to **COBRA Administration**, then **Imports & Reports**, followed by **Job Queue**. In the "Active Jobs" section, find the report and click "View" under "Download Results". If still processing, you may need to click "Refresh". Once complete, a date and time will be displayed in the "Completed Date/Time" column.