



**TO:** Agency Representatives

**FROM:** Miriam Martinez, Senior Client Services Analyst

**RE:** PEBB Agency Update – System Changes Termination Approval Page **NEW** Process

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This memo follows up to the April 17, 2009 agency update regarding system changes needed to administer the COBRA program.

The following system changes will be implemented on Wednesday, April 29th to provide agencies and universities an alternative method to terminate coverage and process COBRA notices without waiting for the termination to feed into PDB in the daily file. Please note this alternative method must be used only if the daily file terminations reject or if the terminations will not be processed in a timely manner by HR to request a COBRA notice.

**A. NEW QSC ADDED FOR MANUAL TERMINATIONS**

We have added the “**Termination**” QSC to the system. This QSC will be eligible for COBRA and may be eligible for the COBRA subsidy depending on the PA/Sep Code used by HR (see item **B**. Termination Approval Page – NEW PROCESS). This QSC only allows for termination of coverage.

**B. TERMINATION APPROVAL PAGE – **NEW PROCESS****

This page has been modified to make the Coverage End Date and the PA/Separation Code fields editable.


**1. Coverage End Date - Daily File Process - Terminations sent to PDB by HR  
(Not for manual terminations)**

This field will only be editable for coverage end dates generated by PDB based on the employment termination dates sent in the daily file. This change is necessary to ensure the correct coverage end date is sent to BHS for the COBRA Notice. This field will be a required field.

When an employee’s employment termination is processed by HR a termination transaction is created and sent in the daily file to PDB. This transaction includes the PA/Sep Code. PDB uploads this transaction to the Termination Approval Page to be processed by the agency.

## Agency Action:

- a). If the “Cov. End Date” field has the **correct coverage end date**; you can approve the termination and the COBRA Notice request by selecting “Yes” in the COBRA field.
- b). If the “Cov. End Date” field has an **incorrect coverage end date**, process as follows:
  - (i) In the “Cov. End Date” field change the end date to show the **correct coverage end date** based on the employee’s eligibility. You can approve the termination and the COBRA Notice request by selecting “Yes” in the COBRA field.
  - (ii) If there are any dependents listed under the member’s coverage, the coverage end date will automatically change (after the record is saved) to the employee’s coverage end date.
- c). Once the record is saved, the coverage end date field is no longer editable.

**NOTE:** Remember you can change the COBRA sent status (YES/NO) by using the revert button  in the Termination Approval page. The revert button is available until the end of the week the termination was processed by the agency and before the COBRA file is compiled for that week’s termination. The COBRA weekly file is compiled every Friday evenings. After the file has been compiled changes cannot be made.

## 2. *Manual Termination Process - PA/Separation Code Changes*

The PA/Sep Code field will be editable for those terminations processed manually by the Termination QSC. It is important that you enter the correct code as this code will be used for COBRA subsidy eligibility verification. This field will be a required field.

### **NEW INFORMATION:**

A new PA/Sep Code has been added to use with terminations process with QSCs that do not have a PA/Sep Code as listed in item C. below. The new code is “QSC.” This code should only be used with the following QSCs:

#### **1) *QSCs terminating dependents’ coverage:***


- Loss of Partner and Partners Children Through Dissolution of a Domestic Partnership
- Loss of Children Through Divorce/Annulment
- Loss of Family Through Divorce/Annulment
- Loss of Spouse Through Divorce/Annulment
- Change in Employment Status of Domestic Partner
- Change in Employment Status of Spouse
- Dependent Child Ceases to Satisfy Eligibility Requirements

#### **2) *QSCs terminating employees’ coverage that do not have a PA/Sep code:***

- Change in Employment Status of Employee - Reduction of Hours
- Military Leave Benefits End
- Do not use this code with the Termination QSC. The Termination QSC must have a PA/Sep Code—see codes in item C.

**Agency Action—New Termination QSC Process:**

- a). Process the manual termination in the Enrollment Management page by going through the “Term All” button using the new “Termination” QSC and the correct dates.
- b). Once you save the QSC, go to the Termination Approval Page and bring up the members record.
- c). You will notice that the PA/Sep Code field is blank, fill in the termination code provided by your HR department. Please make sure this code is correct so that the correct COBRA notification can go to the member.
  - i. If there are any dependents listed under the member’s coverage, the PA/Sep Code field will automatically change according to the code entered (after the record is saved).
  - ii. If the termination is due to a reduction of hours or military leave benefits end—the code must be QSC. These terminations are COBRA eligible but are not subsidy eligible.
- d). Approve COBRA and save record. Once the record is saved, the PA/Sep Code is no longer editable.

**NOTE:** Remember you can change the COBRA sent status (YES/NO) by using the revert button  in the Termination Approval page. The revert button is available until the end of the week the termination was processed by the agency and before the COBRA file is compiled for that week’s termination. The COBRA weekly file is compiled Friday evenings. After the file has been compiled changes cannot be made.

