

RE: Arkansas Blue Cross Blue Shield COBRA Phase Out

[Insert Group Name]

Attention: [Insert Contact name] or current HR Benefits Administrator

[Insert Street Address 1] [Insert Street Address 2]

[Insert City], [Insert State]

[Insert Zip Code]

Dear ABCBS Client,

Our January 2024 audit showed your group had an active COBRA administration account with HealthEquity/WageWorks.

Over the past months, Arkansas Blue Cross and Blue Shield has reached out to you regarding upcoming changes to our COBRA partnership with HealthEquity/WageWorks. Our communications have included email blasts to our clients and brokers, and our account representatives have been reminding groups of the changes to our COBRA policy as accounts approach renewal. This letter is our **final notice to your team to act now to preserve your COBRA coverage** if your company wants to maintain COBRA administration with HealthEquity.

As a reminder, here's what's changing:

Historically, our fully insured clients who elect the COBRA administrative service through HealthEquity/Wage Works, have had access COBRA administration at no cost. In October 2023, Arkansas Blue Cross began notifying our clients that in the future, **groups wanting to maintain a relationship with HealthEquity will be responsible for covering all COBRA administration charges and for setting up direct billing with HealthEquity.**

As of [Insert Phase-out Date], your group will phase out from our previous COBRA administration model, and Arkansas Blue Cross will no longer cover any COBRA administration costs. **At that time your current COBRA Administration with HealthEquity will terminate.** To maintain your COBRA administration, your group must follow HealthEquity's instructions to set up direct billing. Following this letter, we are including a sample of the letter HealthEquity will email to your group contact(s) on file. This letter explains your next steps to setup direct billing with HealthEquity for COBRA administrative services.

We urge your team to **act now**, if you have not already. If you have already shared your COBRA administration intentions with your Arkansas Blue Cross account manager and feel you have received this letter in error, we thank you for your patience. We are being vigilant about these communications to ensure that each of our clients are fully informed and that all Arkansas Blue Cross groups needing a COBRA administrator, maintain an administrator.

A guide to your next steps:

- **If you would like [insert Group name]'s COBRA administrative services to terminate with HealthEquity/WageWorks effective [Insert Phase Out date], do nothing.** Your group's COBRA administrative services with HealthEquity will terminate unless you intervene.
 - Please pay close attention to emails HealthEquity sends regarding your COBRA administration account.

- Contact HealthEquity directly if you need any participant reporting. Arkansas Blue Cross does not have access to HealthEquity's records.

Alternatively,

- **If you would like to continue your COBRA Administration relationship with HealthEquity/WageWorks on a direct basis, please contact and follow the instructions found CarrierClientTerm@wageworks.com within the HealthEquity Sample email attached or the customized email you will receive.**

Whether you choose to maintain HealthEquity as your COBRA administrator or select another COBRA administrator, Arkansas Blue Cross urges your group to prepare for the change. **It is important that your company has a plan in place by your phase-out date of [insert phase-out date] or sooner.** Also, if you chose to terminate COBRA Administration with HealthEquity prior to your assigned phase-out date, please submit the termination to your Arkansas Blue Cross representative to avoid miscommunication and confusion.

Following this letter is a sample of the email you will receive from HealthEquity around the Arkansas Blue Cross termination and instructions to set up direct billing.

Thank you,

Claire Rhodes

Manager – Business Alliances & Ancillary Division

Arkansas Blue Cross and Blue Shield

Group Markets

Take
good
care.

