



Administrative Solutions Inc.

COBRA

Consolidated Omnibus Budget Reconciliation Act

FSA

Flexible Savings Account

HRA

Health Reimbursement Account

MERP

Medical Expense Reimbursement Plan

**Administration
Proposal**

**Self Funded
Dental & Vision**

**Section 132
Transportation**

For questions about our services contact:

555 W. Shaw Ave Ste C-1

Fresno, CA 93704

Phone 866-777-1320 *Fax* 559-256-1321

Email info@asibenefits.com

Website <http://www.asibenefits.com>

Table of Contents

<u>ASI</u>	<u>3</u>
◇ The ASI Story	
◇ ASI Leadership	
◇ Leadership Biographies	
<u>COBRA Administration</u>	<u>4</u>
◇ Proposed COBRA Services	
◇ Specialized COBRA Services	
◇ ASI COBRA Commitment	
<u>FSA Administration</u>	<u>6</u>
◇ FSA Proposed Services	
<u>Section 132 Administration</u>	<u>7</u>
◇ Section 132	
◇ About Section 132	
<u>HRA Administration</u>	<u>8</u>
◇ About HRA's	
◇ Proposed HRA Services	
<u>MERP Administration</u>	<u>9</u>
◇ About MERPS	
◇ Proposed MERP Services	

ASI

The ASI Story

ASI Administrative Solutions, Inc. is a highly regarded Third Party Administrator specializing in group benefits. ASI was formed June of 2001.

ASI has positioned itself to be an all inclusive TPA for employers of all sizes and is innovative in providing solutions to employee benefit plans. ASI offers services for Insurance Billing and Capitation Programs, Medical Expense Reimbursement Plans (MERP), Health Reimbursement Arrangements (HRA), Self Funded Dental and Vision Plans, COBRA Administration , Section 125 Plans (FSA), Consolidated Billing, FMLA Billing and Voluntary Benefits

ASI prides itself on outstanding customer service and its success at implementing administrative strategies to meet the growing demand of employer's rising cost. What has been most advantageous to their vast client

ASI Leadership Team

Name:	Position:	Industry Years:
Barry Maas	President	11
Christina O. Castro, RHU CLTC	Vice President	21
Pete Ubbink	Director of Client Services	3

Leadership Biographies

Barry Maas, President

Bachelor of Science Degree, Business Administration with an Accountancy Option, California State University, Fresno. Barry has an accounting background working in a law firm for over ten years in payroll, accounts receivable including financial preparation and analysis and budget preparation. Barry started ASI in 2001 with 2 employees as he saw a need for a local TPA administering high deductible health plans and COBRA administration.

Christina O. Castro, Vice President

Christina is a certified COBRA administrator, a Registered Health Underwriter and has her certification in Long Term Care. She has been in the Third Party Administration business for over fifteen-years and most recently worked as a consultant for a local broker's office. Christina is the past President of the Central California Association of Health Underwriters and is a member of the International Foundation of Employee Benefits, the Employee Benefit Institute of American and is on the Board of Directors for the California Department of Insurance Education Committee and the Greater Fresno Chamber of Commerce Governmental Affairs Committee.

Pete Ubbink, Marketing Director

Pete has been in the industry for over three years working with the brokers and clients of ASI. Pete has a Bachelor of Science degree with a BA in Marketing. Pete joined ASI in 2007 with marketing experience and account management. As Sales and Operations Manager, Pete oversees account set up and administration, as well the daily departmental operations of ASI.

COBRA Administration

About COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) was passed to temper the increasing rate of uninsured Americans. The continuation requirement forces employers to offer insurance continuation to anyone who would otherwise lose coverage due to a qualifying event. Qualifying events include: Termination of employment or reduction in hours, divorce or legal separation, death of covered employee, covered employee becomes eligible for Medicare, dependent ceases to be eligible as a dependent and employer's filing of a bankruptcy proceedings.

ASI administers COBRA benefits for employer groups who prefer to outsource the administrative duties to an administrator that can handle the day-to-day functions required under COBRA.

Under COBRA, employers must provide written notification to all covered employees and their dependents of their rights under COBRA. This notification of rights must be provided (1) upon inception of coverage, (2) in the summary plan description and (3) upon the occurrence of a qualifying event.

Proposed COBRA Services

Administration of Mandatory Notices Required Under COBRA

ASI requires our COBRA staff to attend COBRA compliance seminars annually to keep up to date on regulatory procedures.

COBRA Tracking

ASI uses the COBRApoin software that automatically tracks all notices, correspondences and automatically issues all COBRA notices.

COBRA Letters and/or Termination of COBRA

COBRApoin provides updated letters to qualified beneficiaries based on the event.

Coupon Book and Premium Collection

We provide the qualified beneficiary with a coupon book to provide their premium monthly to our office.

COBRA Support

Provide COBRA Updates to Employers

We keep on top of upcoming changes to the proposed or final regulations and provide this information to our clients.

ASI Continuously Updates Services to Incorporate COBRA Changes

Our software provides updates as needed. In the event of a change in the administration, our client are notified if this affects any administrative changes to their group.

COBRA Administration

Specialized COBRA Services

- ◆ Audit Current COBRA Events
- ◆ Initial Notifications sent to all new hires
- ◆ Welcome Letter to all qualified beneficiaries notifying them of the change in administration.
- ◆ Coupon Book sent to all COBRA continuants.
- ◆ Qualified Beneficiary acknowledgement of current information.
- ◆ Employer training for on-line access COBRApoint
- ◆ Confidentiality and Privacy of any information received by the employer or qualified beneficiary.
- ◆ Communication to employer of any known issues during the takeover process.

ASI's Commitment

ASI never takes the position that we know everything about COBRA. COBRA is never black and white and this is why we contract with many legal professionals to provide guidance in areas that may not be the day to day occurrences. Our goal is to provide the correct information and recommendations based on our many years of experience with COBRA.

FSA Administration

Proposed FSA Services

- ◆ Draft Plan Documents including Plan Document, Summary Plan Description and Corporate Resolution.
 - ◆ Preliminary Discrimination Analysis and Testing
 - ◆ Plan Analysis and Design Specification
 - ◆ Employee Communication/Enrollment Meeting
 - ◆ Assist Administrative Staff in Payroll Deductions and General Plan Matters
 - ◆ Provide Employee Packets
 - ◆ Enter Claims Daily and Disburse Checks Weekly
 - ◆ Provide Monthly, Quarterly, Annual Reports
 - ◆ Year End Plan Review
 - ◆ Debit Card availability
 - ◆ On-line access for employees
 - ◆ On-line access for employers
 - ◆ Customer Service
- ◆ ****ASI offers a complete FSA plan administration from Premium Only, Unreimbursed Medical, Dependent Care and Transportation.****

Section 132 Administration

Section 132 Fee Sched-

Transportation Fringe Benefit Plan

Ongoing Plan Administration Services

- * Daily Claim Processing.
- * Weekly Reimbursement Check Generation.
- * Quarterly Employer Contribution and Disbursement Reporting.
 - * Quarterly Employer Reporting.
 - * Quarterly Employee Statements.
 - * Participant Account Memos.
 - * Year-end Employer Reporting.
- * Independent Accountant Statement
 - * Special Project / Consulting Service (per hour)
- * Additional Employee Presentation/ Enrollment Meetings

About Section 132

Tax-free commuter benefits, also known as qualified transportation fringes, are employer provided voluntary benefit programs that allow employees to reduce their monthly commuting expenses for transit, vanpooling and work-related parking costs. The benefit is a federal tax benefit authorized under the [Internal Revenue Code Section 132\(a\)](#), Qualified Transportation Fringes. Monies used for these eligible expenses are excludable from gross income subject to federal taxes. Many states also exclude these monies from state and local taxes.

HRA Administration

About HRA's

HRA's are intended to encourage the efficient use of employer-provided health care by fixing employer contributions at a certain projected cost level rather than promising a specific benefit regardless of cost.

Types of HRAs

Stand-alone—Employer-funded reimbursing for eligible medical expenses. Not integrated with a major medical plan. Can be designed to reimburse out of pocket medical expenses not covered by major medical plan, dental or other non-specific out-of-pocket medical expenses, some insurance premiums, or a combination of the above.

Integrated HRA and HDHC—Employer typically has a major medical plan with a high deductible. Typically a set annual amount is provided for out-of-pocket expenses, for example \$1,000. Unused amounts can be carried forward from year to year.

Plan design is unlimited. Annual benefits can be accrued monthly or be credited to the employee once a year. An HRA is not required to have a carryover. Carryovers may also be capped. Can also be designed to require FSA participation. Can also be designed so the HRA pays after a FSA. Can specify which types of medical expenses are eligible. Can be broad or very limited.

COBRA does apply. Upon termination an employee can elect to continue the HRA for a premium. "Spend Down" option can be offered to eliminate the COBRA election. Other COBRA issues that can be addressed in the Plan Document.

Proposed HRA Services

- ◆ Illustrate Cost Comparison of HRA Approach v. Traditional Fully Insured Plan
 - ◆ Assist in Plan Design, Including Plan Design Options and Features
 - ◆ Draft Plan Document including Plan
 - ◆ Document, Summary Plan Description and Corporate Resolution
 - ◆ Assist Broker in Plan Presentation
 - ◆ Assist in Group Enrollment
 - ◆ Provide Participant ID Cards (if necessary) and Plan Materials
 - ◆ Provide Claims Procedures
 - ◆ Enter Claims Daily, Process and Disburse Claims Weekly
 - ◆ Provide Standard Reports Upon Demand

MERP Administration

About MERPS

MERPs or Section 105 Plans, are intended to provide medical benefits to employees on a tax-free basis and tax deductible to the employer. Employers utilizing a MERP fund claims by promising specific employer contributions at a certain benefit design. Often MERPs utilize lower cost high deductible medical plans for cost savings.

MERPs have been around since the 1960s. The IRS has issued guidance allowing these employer-funded health reimbursement plans. Employers can fund completely or charge their employees a “premium” for this employer-funded portion of their health plan.

Claims reimbursements occur as claims are incurred. No pre-funding is necessary. If no claims are incurred then no employer funding is required. No funding rollover is required.

Many employers are using MERPs by implementing insured plans with high deductible health coverage, but with first dollar benefits through the MERP. These benefits are centered around a benefit design, designed by the employer. They may include co-pays, co-insurance and employee/family deductibles. Expenses submitted to the employer must be substantiated and are usually based upon negotiated provider discounts under the high deductible medical insurance.

These plans are designed to heighten employee awareness of health care costs. They are intended to cover all employees and their dependents that are covered by the high deductible health insurance plan. Employers can specify which expenses are eligible for reimbursement and whether or not those expenses are subject to deductibles, co-insurance and/or co-payment provisions. Most plans require a claim to be allowed by the high deductible health insurance plan in order to qualify for the employer’s MERP. Many plans utilize co-pays, co-insurance and deductibles to aid in controlling costs and utilization.

Proposed Services

- ◆ Illustrate Cost Comparison of MERP Approach
- ◆ Assist in Plan Design
- ◆ Draft Plan Documents including Corporate Resolution
- ◆ Assist Broker in Plan Presentation
- ◆ Assist in Group Enrollment
- ◆ Provide Participant ID Cards and Plan Materials
- ◆ Provide Claims Procedures
- ◆ Provide RX Network
- ◆ Provide Standard Reports
- ◆ Provide Plan Review