

## Alerus COBRA/Retiree Payment Processing

- Alerus is a third party provider of COBRA compliance and payment processing for group insurance plans post employment.
- We began using Alerus for COBRA and retiree payment processing for anyone who retired/resigned after 1/1/2019
  - They currently handle payment processing of 6 participants per month
- We currently manage 104 retiree payment accounts in house.
- We would like to move the other 104 retirees to Alerus starting 9/1/2020
  
- District Benefits
  - Ensures we are compliant with current COBRA notices, ect. Responsibility falls off our shoulders
  - Frees up District Office staff time to work on other priorities. We estimate spending 15 hours a month on retiree insurance billing, collections, payments, ect and up to 15 hours a week during open enrollment. With current hourly rates this is a cost to the district of \$838.92 per month.
  - Alerus would completely run the open enrollment process for retirees and COBRA participants. District staff could focus on running open enrollment for our current employees.
  - No tracking down delinquent accounts. Alerus would handle.
  - Consistent information being sent to retirees who retired both before and after 1/1/19
  
- Retiree Benefits
  - Ability to set up recurring payments, no need to bring or mail a check to the district each month.
  - Payment coupons to track when/what payments are due, no more calling the District Office to see what they owe
  - Ability to pay online by credit card for a fee
  
- Downsides
  - Cost is \$6 per participant per month - or an additional \$624 per month to administer
  - Many retirees like the “personal touch” of dropping the check off at the District Office each month and then spend time chatting with former colleagues
  
- Implementation Plan if approved to move forward
  - Retirees would be invited to our annual retiree meeting with Alerus and Mid America to discuss upcoming changes. We are looking at dates near the end of April.

- District Office Staff will fill out a spreadsheet and send to Alerus showing who is paid and for what months
- In May, Alerus and the District would send a “takeover notice” that states the payment process is changing and where to send payments starting with the July premiums
- During the implementation process checks will be accepted at both the District and Alerus. Retirees who are still sending checks to the District will be reminded to start sending them to Alerus effective 9/1/2020. The District will report any payments received to Alerus.
- The District would work with Mid America and retirees to change their automatic payment options from the District to Alerus
- District Office would have a computer available for anyone who needs