



## MEMORANDUM

**TO:** Health Care Commission  
Steve Dechant  
Sandy Praeger  
Nancy Ruoff  
John Staton  
Dennis Taylor

**FROM:** Mike Michael

**DATE:** February 24, 2011

**SUBJECT:** Administration of COBRA benefits

The State Employee Health Plan (SEHP) contracts with COBRAGuard for administration of the continuation of benefits required under the Consolidated Omnibus Budget Reconciliation Act (COBRA). The current three-year contract with COBRAGuard is set to expire on June 30, 2011. The contract allows for the SEHP, at its option, to renew the contract for an additional agreed upon term. COBRAGuard has presented a proposal to the SEHP to extend the current contract at the same administrative fees currently being paid. This contract extension would be for the period July 1, 2011 through December 31, 2012.

**Recommendation:**

Staff recommends that the Health Care Commission approve an extension of the current COBRAGuard contract with the same administrative fees through December 31, 2012.