

Re: Re: Rippling PEO 1, Inc. COBRA open enrollment - action required

Travis Priest <[REDACTED]>
To: Rippling Support <support@rippling.com>
Cc: [REDACTED]

Mon, Nov 25, 2024 at 12:29 PM

Dear Deblina,

Thank you for your response, but I must point out that the method you described for calculating COBRA premiums is not compliant with federal law. The ACA and COBRA regulations explicitly require that former employees be offered the same coverage at the same rates as active employees. While employers are permitted to add a 2% administrative fee, it is not permissible to group COBRA continuants into a separate risk pool and apply a different rate adjustment, as this undermines the purpose of COBRA continuation coverage.

The dramatic rate increase you are quoting—nearly three times the previous rate—is inconsistent with these legal requirements. COBRA is intended to provide access to group health coverage at the same rates active employees receive, not to create a separate cohort with artificially inflated rates to discourage participation.

Please review the calculation method used for determining these rates and ensure compliance with ACA and COBRA guidelines. I would also appreciate a prompt correction of this issue for both myself and other affected participants.

Thank you for your attention to this matter. I look forward to your response.

Best regards,

Travis Priest
[REDACTED]

On Mon, Nov 25, 2024 at 12:23 PM Rippling Support <support@rippling.com> wrote:

Hi Travis,

I understand that your concern is related to the increase in the COBRA premium.

I would like to inform you that annually, **Rippling rates all COBRA continuants whose parent organizations have terminated from the Rippling PEO as one risk group**. The renewal rate increase is applied uniformly across the entire cohort. This increase is driven by higher healthcare utilization within the group, and as such, all participants receive the same rate adjustment. The plan is not permitted to rate participants on an individual basis.

Given that the exchange open enrollment period is approaching for a January 1 effective date, **this is an ideal time for COBRA continuants to explore individual exchange coverage** as an alternative to the group plan.

Please let me know if you have any questions or need further clarification.

Regards,
Deblina S. | Rippling Support

View the details of your case (#02396181) [here](#); [chat live](#) to get help, or to get on a screen share call

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Travis
<https://linkedin.com/in/tpriest>