

Benefit Coordinator Webinar

State Agencies
December 2012

Eligibility for PEIA Coverage

- Public employees working full-time (20 hrs./wk. or more)
- Elected officials working full-time in elected positions
- Members of the WV Legislature or the WV Board of Education
- Elected members of a county board of education
- Permanent full-time substitute teachers working on a contract of 90 days or more per school year
- School service employees eligible under W.VA. Code 18A
- Employees of non-state agencies under agreement with PEIA to provide major medical health coverage

Dependents Eligible for PEIA Coverage

- The policyholder's legal spouse
- The policyholder's biological or adopted children, stepchildren, and other children for whom the policyholder is a court-appointed guardian under the age of 26
- Surviving dependents if covered as a dependent at the time of the policyholder's death
 - Age rules above apply to surviving children
 - Surviving spouses are not eligible for coverage if they remarry

Enrolling New Employees

- New employees should be provided a copy of :
 - Shopper's Guide
 - Summary Plan Description
 - Summary of Benefits & Coverage (found under Our Services link to PPB Plans and The Health Plan)
 - Life Insurance Book
 - Instructions from the Manage My Benefits section of the Benefit Coordinator Reference Manual (beginning on page 7)
- May enroll for health and life insurance benefits online by visiting www.wvpeia.com and clicking on the green Manage My Benefits button
- If the new employee does not have internet access, or if they previously had PEIA coverage which has lapsed, they should enroll by using the enrollment forms found in the Benefit Coordinator Reference Manual or under Find a Form on the above website

Existing Employee Coverage Changes

- Existing employees may make changes to their coverage during the plan year if they experience a “qualifying event” such as:
 - Commencement or termination of employment of the employee’s spouse or dependent
 - Significant change in health coverage due to spouse’s or dependent’s employment
 - Marriage, divorce, or annulment of employee
 - Death of employee’s spouse or dependent
 - Birth or adoption of employee’s child
 - Change from full-time to part-time employment or vice-versa of employee, spouse, or dependent
 - Unpaid leave of absence by employee, spouse, or dependent
 - Employment change due to strike or lock-out

PEIA Annual Open Enrollment

- Existing employees may make changes to their coverage during PEIA's annual Open Enrollment in April:
 - Add, drop, or change health plans
 - Add or drop life insurance coverage (basic, optional, dependent)
 - Add, change, or drop Mountaineer Flexible Benefits (if offered by their agency)
 - Add or remove dependents
- Changes become effective on July 1 of that year for the next Plan Year
- Certain changes require documents to be submitted before the change can be approved; refer to the online Benefit Coordinator Reference Manual for additional information

Improve Your Score Discount for Plan Year 2013

- \$10 per month discount off the standard health premium
- Valid for **active** employees in PEIA PPB Plans A, B, C or D
- Not available to HMO participants or retired policyholders
- Based upon participation and not the color-coded outcome

Improve Your Score Discount

(continued)

Plan Year 2014:

- Policyholders need to screen every other plan year
- If their score is yellow or red, the policyholder needs to engage every plan year to receive the discount
- Policyholders who receive a green score will receive the discount for the plan year in which they screen and the following plan year unless they re-screen and their score changes to yellow or red

Living Will Discount

- \$4 per month off the standard health insurance premium for active and retired health policyholders in PEIA PPB Plans, The Health Plan, PEIA's Special Medicare Plan, or the Humana Medicare Advantage and Prescription Drug Plan
- Complete one of the forms below then submit the Living Will Affidavit either online at Manage My Benefits, on the new employee health coverage enrollment form, or by requesting an affidavit from Customer Service
 - WV Living Will Form
 - WV Medical Power of Attorney form
 - WV Combined Living Will and Medical Power of Attorney form
 - Form applicable to the state of residence
 - Five Wishes form (Aging with Dignity for \$5 per copy; call 1-888-594-7437)
- **DO NOT MAIL THE ACTUAL LIVING WILL FORM TO PEIA**

Tobacco Free Discount

- \$25 per month off single policyholder or \$50 per month off family policyholder monthly health insurance premium for tobacco-free active and retired policyholders in PEIA PPB Plans, The Health Plan, Special Medicare Plan, or Humana Medicare Advantage and Prescription Drug Plan
- Insureds must have been tobacco-free for at least six months before submitting the Tobacco-Free Affidavit; for family coverage, all enrolled family members must be tobacco-free to qualify for the discount
- Tobacco-free affidavits may be submitted anytime during the plan year; PEIA has 60 days to process the affidavit and begin the discount
- No tobacco-free discounts will be applied retroactively
- Tobacco-free discount is also available on optional life insurance

Leaves of Absence

- For non-Worker's Compensation medical, personal, and family leave approved by the employer, the employee may continue coverage
- For personal leave, the monthly premium is paid as established by employer
- For non-Worker's Compensation medical leave, monthly documentation (physician's statement) to the employer is required, and employer is obligated to pay their portion only for a period of one year
- For Worker's Compensation leave, the employer is required to pay their portion of the premium for as long as the employee is on Worker's Compensation

Leaves of Absence (continued)

- The employer must hold open the position when the employee is on leave
- If the employee fails to pay their portion of the premium, employer may terminate coverage
- A leave is NOT a qualifying event allowing changes to coverage
- If out of area while on leave, the policyholder should contact HealthSmart (if coverage is through a PPB Plan) with their new/temporary address so that their network is transferred to that area

Transfers

- Transfers from one participating agency to another without a lapse in employment allows benefits to continue uninterrupted
- Transfers should be made online to allow direct rollover of benefits; once approved, the receiving BC can view the new employee's coverage
- PEIA collects updated salary information from the receiving BC on which the premium at the new (receiving) agency will be based
- A transfer is NOT a qualifying event; no changes can be made to the policyholder's coverage unless a financial hardship is created by the transfer, and that requires an appeal, in writing, with supporting documentation

Retirement

- Last employer immediately prior to retirement is a participating employer in the PEIA Plan and employee must meet the minimum eligibility requirements of the State retirement system or a PEIA-approved retirement system in order to continue health and life benefits into retirement
- Education employees who participate in a non-state retirement system such as TIAA- CREF or similar plans must meet the minimum eligibility requirements of the State Teachers Retirement System
- Retiring employee and their dependent(s) must be terminated as an active employee using a paper Termination Form (not online) and then re-enroll using the paper Retiree Enrollment Forms during the month of retirement or two months following in order to continue health and/or life benefits

Retirement (continued)

- Non-Medicare retirees continue in their current health plan until the next open enrollment, when they have the same open enrollment rights as active employees
- Medicare retirees who retire during a plan year, and retired employees who become Medicare eligible during the plan year, are transferred to PEIA's Special Medicare Plan for the remainder of that plan year; at the beginning of the following plan year, members will be transferred from the Special Medicare Plan to the Humana Medicare Advantage & Prescription Drug Plan
- Participants in the Special Medicare Plan have Original Medicare parts A & B as their primary coverage, and their secondary medical and prescription claims are paid by HealthSmart and Express Scripts, Inc.

Special Retirement Situations

- Deferred retirement – If an employee separates from employment before retirement from a participating employer under the State retirement plan, he or she can not enroll as a retiree in a PEIA plan if they had other private sector employment just prior to retirement. To be eligible for PEIA, the employee's last employer immediately prior to retirement must have been a public entity that participates in the State retirement system or a PEIA-approved retirement system, and in the PEIA Plan.
- Returning to active employment with a participating agency after retirement will cause a loss of the right to use accrued annual/sick leave toward extended employer-paid PEIA coverage except in the case where the employee participated in the plan prior to July 1, 2001 and becomes re-employed with a participating agency within two years of their retirement; in that case, the employee may apply accrued leave earned after re-employment to extend employer-paid benefits after retiring from the new position.

Special Retirement Situations (cont.)

- An employee with 20 years service who separates from a public entity prior to retirement may enroll in PEIA health benefits for up to two years following separation and will be required to pay 105% of their premium until such time as they meet eligibility requirements as a full retiree.
- An employee who is granted disability retirement by a state retirement system or who receives Social Security disability benefits may continue coverage in the PEIA Plan as a retired employee if they meet the minimum eligibility rules of the applicable state retirement system; premiums are at the 25 years or more of service level for these retirees.

Extending Employer-Paid Coverage

- When an employee moves directly from active public employment into a State or PEIA-approved retirement system, they may be eligible to extend employer-paid insurance upon retirement depending upon the employer.
 - Elected public officials are not eligible for this benefit.
 - If an employee defers retirement, they cannot defer accrued sick or annual leave to use later.
- Certain employees have the option to use accrued sick/annual leave to increase their retirement benefits or to extend their employer-paid insurance coverage.
 - Accrued leave can be used to increase years of service for pension or to extend insurance coverage, but accrued leave may not be divided between the two options.
 - The election of how to apply the accrued leave cannot be revoked

Extending Employer-Paid Coverage

(State agencies, county boards of education, other eligible employees)

- The amount of the employer-paid insurance coverage which can be received depends upon when the employee came into the PEIA plan:
 - **Before July 1, 1988:**
 - 2 days of accrued leave = 100% of one month's premium for single coverage
 - 3 days of accrued leave = 100% of one month's premium for family coverage
 - **Between July 1, 1988 and June 30, 2001:**
 - 2 days of accrued leave = 50% of one month's premium for single coverage
 - 3 days of accrued leave = 50% of one month's premium for family coverage
 - **On or After July 1, 2001:**
 - Not eligible for extended employer-paid insurance upon retirement
 - **If there is a lapse in coverage after July 1, 2001:**
 - Not eligible for extended employer-paid insurance upon retirement

Termination of Coverage

- **Voluntary Termination of Employment** – coverage terminates at the end of the month in which the employee voluntarily ceases employment
- **Involuntary Termination of Employment** – coverage may continue for additional three months after the end of the month in which employment ends if termination is involuntary or through a reduction in work force so long as the policyholder continues to pay their share of the premium (and employer is required to pay their share) for the additional three months
- **Termination for Misconduct** – If an employee terminated for misconduct chooses to contest the charge, they may extend coverage for up to three months while available administrative remedies are pursued. If the discharge is upheld, the former employee must reimburse the employer's share of the premium for the extended coverage.

Termination of Coverage (continued)

- **Voluntary Termination of Benefits** – coverage terminates at the end of the month in which the employee voluntarily terminates the coverage, provided there is a qualifying event that allows the employee to terminate coverage; if there is not a qualifying event, they cannot cease coverage until the next open enrollment period
- **Retiring Employees**– coverage terminates at the end of the month in which an employee ceases active employment unless the employee re-enrolls for coverage as a retiree during the month of retirement or the following two months

Termination of Coverage (continued)

- **Retired Employees**— Employees who have already retired and elect to no longer participate in PEIA will be covered until the end of the month in which they choose to cease participation provided they have a qualifying event; if there is not a qualifying event, they cannot cease coverage until the next open enrollment period
- **Dependents and Surviving Dependents** – coverage terminates at the end of the month in which one of the following occurs:
 - Policyholder terminates or loses coverage
 - Spouse is divorced from policyholder
 - Dependent reaches 26 years of age
 - Policyholder voluntarily removes the dependent from coverage
 - Disabled dependent no longer meets disability guidelines
 - Surviving spouse remarries
 - Policyholder fails to pay premium contributions
 - Participating non-state agency withdraws from the PEIA Plan

State Agencies

The policyholder retains the right to choose from any of the plans offered by PEIA:

- PPB Plans A, B, C (high deductible plan), and D (WV only plan)
- Health Plan HMOs A & B

Life Insurance through Minnesota Life is also included in the package. Employees are required to enroll in Basic Life in order to have health coverage as well as to apply for optional or dependent life insurance.

Employees are also offered Mountaineer Flexible Benefits through FBMC.

State Agencies (continued)

Most of your health insurance premium is paid by your employer. The amount of your contribution is determined by your salary, the type of coverage you choose, and your earned premium discounts.

Coverage will begin on the first day of the month following enrollment. If you do not begin work and enroll until the first day of the month, the coverage will be effective the first day of the following month. If you enroll before you actively begin work, coverage will begin on the first day of the month following your first day of active employment.

Privacy Practices

- HIPAA applies to personal health information that is identifiable
- Information must be kept confidential
- Information is used to:
 - provide benefits
 - assist healthcare professionals in providing treatment
 - make claim payments
 - provide customer service to policyholders
 - other reasons as listed on pages 105 to 107 of the Summary Plan Description

Privacy Practices

(continued)

- US DEPARTMENT OF HEALTH & HUMAN SERVICES OFFICE OF CIVIL RIGHTS MINIMUM NECESSARY STANDARD
 - When using, disclosing, or requesting PHI (Personal Health Information), reasonable efforts must be made to use, disclose, or request only the minimum amount necessary for the intended purpose
 - The Coordinator should only gather the minimum information necessary to complete the function/form
 - Forms should be completed and submitted with necessary documentation but no additional attachments (post-it notes, marginal notes, etc.)

Overview of Basic & Optional Life Insurance Coverage

	ACTIVE	RETIREE
Basic Coverage	\$10,000 under age 65	\$5,000 under age 67
Optional Coverage	18 plans, ranging \$5,000 - \$500,000	10 plans, ranging \$5,000 - \$150,000
Age Reductions	Under age 65 Age 65 – 69 Age 70 or over	Under age 65 Age 65 – 69 Age 70 or over
Employer Paid?	Basic is paid by employer. Optional is contributory.	All coverage is contributory.

Overview of Dependent Life Insurance Coverage

	Who is covered	Coverage amount
Dependent Plan 1	Spouse Child	\$5,000 \$2,000
Dependent Plan 2	Spouse Child	\$10,000 \$4,000
Dependent Plan 3	Spouse Child	\$15,000 \$7,500
Dependent Plan 4	Spouse Child	\$20,000 \$10,000



Accidental Death Coverage

- Available to active employees and their dependents
- Double indemnity
- Terminates the first day of the month following date of retirement
- Not available for Retiree Basic, Optional, or Dependent coverage
- Exclusions apply



Accidental Dismemberment Coverage

- Available to active employees and their dependents
- Full amount of insurance or 50%
- Payable to the covered employee
- Not available for retiree basic, optional, or dependent coverage
- Exclusions apply



Accelerated Death Benefit

- Available to active and retired employees and their dependents
- Life expectancy of 12 months or less
- Up to 50% of optional/dependent life insurance that is in force
- Basic coverage cannot be accelerated
- Benefit payable to the covered employee
- Death Benefit is the full amount of insurance minus the amount of insurance that was accelerated

Term Life Waiver of Premium

- If a covered employee becomes totally and permanently disabled as defined under the plan while under the age of 60, the basic insurance will be continued in force without payment of premiums during the period of disability
- *Basic coverage only*
- 9-month elimination period

Eligibility for Active Employees

- Basic and Optional life coverage
 - Must have basic in order to enroll in optional
- Newly hired employees can elect for basic and up to \$100,000 in optional coverage without a statement of health during their enrollment period*
- Dependents can be enrolled in any plan during the enrollment period without a statement of health
- All dependents must be *enrolled individually* and *enrolled in the same plan*

*Month of hire and following two calendar months.

Plan Design – Active Employees

- **Statement of Health (SOH) or Evidence of Insurability (EOI) is required when:**
 - Optional amounts over \$100,000 are elected during the enrollment period
 - An employee elects basic or optional coverage outside of the enrollment period
 - An increase is requested in optional coverage outside of the enrollment period
 - An increase or change* to dependent coverage is requested outside of the enrollment period

*Marriage or birth of a child is a qualifying family status change .

Automation of SOH/EOI

- No longer necessary for the benefit coordinator to collect the SOH/EOI with the application; simply submit the application to PEIA.
 - After application is received by PEIA, ML will mail an EOI packet directly to employee if one is required
 - EOI packet will provide a user id and password to access ML's website to complete an EOI on-line using real-time underwriting response
 - If the applicant does not have access to the internet a paper EOI will also be included with a postage paid envelope returning the EOI directly to ML
- This automated process keeps the employee's medical information private and increases accuracy

Eligibility for Retired Employees

- Basic and Optional coverage - must have basic to enroll in optional
- Can continue optional term life insurance equal to the amount in force immediately prior to retirement - up to the maximum of \$150,000
- All elections must be made during the enrollment period; retirees cannot increase their coverage outside of this period

Plan Design – Retired Employees

- Increases in coverage elected during the enrollment period will require SOH
- SOH not required for elections equal to or less than amount in force immediately prior to retirement
- There is no guaranteed issue coverage for retirees; all retirees who elect coverage will require SOH if not covered immediately prior to retirement



Conversion Option

- When leaving employment
- Must take place within 31 days of employee's last day
- Covered dependents can convert their coverage
- Conversion is at the employees cost, but without evidence of insurability
- Individual rates are higher than group rates

Beneficiaries

** Remember that designations should be made for **Basic *and* Optional insurance.**

Primary Beneficiary(ies):

The person or persons named will receive the proceeds

Contingent (Secondary) Beneficiary(ies):

At the time of your death, if the primary beneficiary(ies) is no longer living, the benefit is paid to this person or persons

Default Beneficiary(ies):

If a beneficiary(ies) is not named, proceeds will be paid in the order outlined in the policy:

- to a spouse, if living, if not;
- to child(ren), if living, if not;
- to parent(s), if living, if not;
- to siblings, if living, if not;
- to their estate