Eligibility Terms

Actively at Work: For PEIA coverage or a change in coverage to be effective, the employee must be actively at work. To be considered "actively at work," he or she must:

1. perform the normal tasks for their job on a full-time basis on the day their coverage is to begin; and
2. perform such tasks at one of their normal places of business or at a location to which they must travel to do their job; and
3. not be absent from work because of leave of absence or temporary layoff.

If an employee does not meet these requirements, coverage will begin on the next day on which the requirements are met.

Eligible employees: All elected and permanent full-time employees of the state of West Virginia, county boards of education, counties, cities or towns, and other individuals of government bodies so specified in the West Virginia State Code, Chapter 5, Article 16 are eligible for enrollment in PEIA insurance plans. Long-term substitute teachers and school service personnel are eligible for coverage. Other temporary, substitute and part-time employees are not eligible.

Full-time employee: a permanent employee who is considered full-time by the participating agency and works at least twenty hours per week, or 1,040 hours per year in that position, unless otherwise exempt from this requirement by the West Virginia State Code.

Eligible dependents: The following constitute the eligible dependents for all coverage offered by PEIA:

- your legal spouse;
- your biological or adopted children, stepchildren, or other children for whom you are the court-appointed guardian under age 26.

Event Enrollment Period: The enrollment period created by an eligibility event or a qualifying event. This period consists of the month of the eligibility event (marriage, birth, etc.) and the two following calendar months, unless otherwise noted.

Disability: A mental or physical impairment which substantially limits one or more of a person's major life activities. The term "major life activities" includes functions such as care for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning, and working. "Substantially limits" means interferes with or affects over a substantial period of time. Minor, temporary ailments or injuries shall not be considered physical or mental impairments which substantially limit a person's major life activities. "Physical or mental impairment" includes such diseases and conditions as orthopedic, visual, speech and hearing impairments; cerebral palsy; epilepsy; muscular dystrophy; autism; multiple sclerosis and diabetes. The term "disability" does not include excessive use or abuse of alcohol, drugs or tobacco.

Documentation: paperwork required from each policyholder who is attempting to enroll dependents for coverage, or to make a status change in the middle of a plan year. Mid-year status changes require a qualifying event. The list of qualifying events and the documentation required to substantiate each change is printed later in this section.

Initial Enrollment Period: the month an employee is hired and the following two calendar months.

Disabled Dependent Child: A dependent child may continue to be covered after reaching age 26 if he or she is incapable of self-support because of mental or physical disability. To be eligible:

- the disabling condition must have begun before age 26
- the child must have been covered by PEIA upon reaching age 26; and
- the child must be incapable of self-sustaining employment and chiefly dependent on the policyholder for support and maintenance.

To continue this coverage, the policyholder should contact PEIA for an application. The policyholder will be asked to provide documentation when the child reaches age 26 and periodically thereafter.

Eligibility Events

New Employee

All eligible new employees must be offered the opportunity to enroll for health and life insurance benefits with the Public Employees Insurance Agency.

Participation in any of the PEIA benefit plans is not automatic; employees must enroll online through the Manage My Benefits site or complete the proper enrollment forms. Completion of the enrollment process gives your agency the authorization to deduct the premiums for the selected coverage from their salary.

All employees have an initial enrollment period in which to make their benefit choices. It consists of the month of hire and the following two calendar months. Coverage becomes effective on the first day of the month following the date of employment or enrollment, whichever is later, provided that the employee is actively at work on the day coverage becomes effective. If an employee is being hired on the first day of a month, the benefits will not be effective until the first of the following month, even if forms are signed before employment begins. For example, if you are hiring a person on September 1, and the person comes into your office on August 28 to complete paperwork, coverage cannot begin until October 1.

A new employee packet should contain the following information:

a. Summary Plan Description

b. Shopper's Guide

c. PEIA Life Insurance Benefits Booklet

d. Instructions to view the Summary of Benefits & Coverage

e. Mountaineer Flexible Benefits Enrollment Packet (if you are a participating employer.)

f. The Documentation Checklist found on Page 10 in the Forms & Instructions section of the online Benefit Coordinator Reference Manual.

g. Instructions for registering and enrolling online, found in the How to Manage My Benefits section of the online Benefit Coordinator Reference Manual.

Health Benefits

Employees and their eligible dependents may enroll for health coverage in the PPB Plan or a Managed Care Plan (if they live in the enrollment area of a plan) during the initial enrollment period. Details of the benefits available in these plans are outlined in the Shopper's Guide.

Managed Care Plans. New employees are eligible to enroll in a managed care plan if they and their dependents live within the enrollment area of a plan. The enrollment areas, which include all West Virginia counties, are defined in the Shopper's Guide. When enrolling in an HMO, the employee must contact the HMO to name a primary care physician for each family member.

Family with Employee Spouse:

Two public employees who are married to each other, and who are both eligible for benefits under the PEIA may elect to enroll as follows: 1) as Family with Employee Spouse in any plan; 2) as "Employee Only" and "Employee and Child(ren)" in two different plans; 3) as "Employee Only" and "Employee and Child(ren)" in the PPB Plan (remember they'll have two deductibles and two out-of-pocket maximums this way); or 4) as "Employee Only" and "Employee and Child(ren)" in the same managed care plan. All children must be enrolled under the same policyholder.

To qualify for the Family with Employee Spouse premium for health coverage, both employees MUST have basic life insurance. Both employees are eligible to enroll for the basic life policy as well as for optional and dependent life insurance.

See page 2-3 of the Premium Accounts section for details of premium calculations for this coverage type.

Life Insurance

The new employee may also enroll in Basic, Optional and/or Dependent Life insurance coverage. Both the Basic and Optional insurance policies are decreasing term insurance coverage. The premiums for these policies increase with age, and the amount of coverage drops.

Basic

The Basic coverage is a $10,000 decreasing term policy with reductions in coverage amounts at specified ages and at retirement. Typically, the employer pays the premium for this coverage. The employee must enroll for Basic life insurance to be eligible to enroll in Optional or Dependent life insurance coverage. During the initial enrollment period, the Basic life insurance is guaranteed issue, meaning that the coverage will be provided without any medical information.

Optional

The employee can buy up to $100,000 of optional life insurance coverage with no medical information required during the initial enrollment period. Plans of up to $500,000 of optional life insurance coverage are available if the coverage is approved by the life insurance carrier. The plans are listed on the Optional Life Insurance enrollment form. If the new employee applies for more than $100,000 of optional life insurance coverage, the coverage will not become effective until the first day of the month following the date of approval by the life insurance carrier. If the new employee applies for more than $100,000 in coverage during the initial enrollment period and is declined by the life insurance carrier, the $100,000 guaranteed issue amount of coverage will be provided, since it is the most the employee can have without approval from the life insurance carrier. For more details, see the Life Insurance section of this book.

Dependent

Five levels of dependent life insurance coverage are available. Dependent life insurance is term coverage, but it does NOT decrease with age. The four levels of coverage are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,500 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/$15,000 on each child

If the policyholder enrolls for this coverage during the initial enrollment period, no medical information is required. This is a package policy; the premium is the same regardless of the number of dependents enrolled in the plan. The policyholder is the beneficiary of this coverage.

Enrolling for Benefits

PEIA's preferred enrollment method is the Manage My Benefits website. Instructions for using the site, as well as an instructional handout for employees, can be found in the Using the Manage My Benefits section of this manual.

If an employee is unable or unwilling to use the website, PEIA will still accept paper forms. To enroll for benefits using paper forms, the new employee must complete and submit the Basic Life Insurance Enrollment Form and the Health Benefits Insurance Enrollment form. Eligible dependents must be listed on the form and the policyholder must provide documentation for them to be covered.

The new employee should be furnished the following forms to enroll:

a. Basic Life Insurance Enrollment Form

b. Health Benefits Enrollment Form

c. Optional and Dependent Life Insurance Enrollment Form

d. Mountaineer Flexible Benefits Form (if applicable)

e. Premium Conversion Plan Opt-out Form

When the employee submits paper forms, it is your responsibility to ensure that all appropriate areas of the forms have been completed, and to complete the "Agency" section of the form. Instructions for completing the agency section of each form can be found in the Forms section of this book.

All forms **except** the Mountaineer Flexible Benefits enrollment form and the Premium Conversion Plan opt-out form should be mailed to the PEIA. The address is:

PEIA Eligibility Unit
601 57th St., SE, Suite 2
Charleston, WV 25304-2345

The Premium Conversion Plan form should be retained in the employee's personnel or payroll file as documentation of the employee's deduction choice.

Mountaineer Flexible Benefits

The new employee may enroll in the Mountaineer Flexible Benefits plan during the initial enrollment period if his or her employer participates in the plan. If you are not sure if your agency participates in this plan, see the Mountaineer Flexible Benefits section of this book for a list of participating employers.

The Mountaineer Flexible Benefits plan is an IRS-approved cafeteria plan that allows employees to purchase optional additional benefits on a pre-tax basis.

There are numerous benefit choices available under this plan including dental plans, a vision plan, long- and short-term disability insurance, medical flexible spending accounts, dependent care flexible spending accounts, and a pre-paid legal services plan. Details of the benefits and premiums are provided in the Mountaineer Flexible Benefits enrollment packet.

To enroll for coverage, the employee must complete and submit the Mountaineer Flexible Benefits enrollment form to the benefit coordinator.

When you've finished your portion of the form, the Mountaineer Flexible Benefits enrollment form should be mailed directly to the plan administrator, Fringe Benefits Management Company. The address is:

Fringe Benefits Management Company
Post Office Box 1878
Tallahassee, FL 32302

Premium Conversion Plan

If your agency participates in the PEIA Premium Conversion Plan, new employees are enrolled in the plan automatically at the time of enrollment. The Premium Conversion Plan allows employees to pay their share of health and life insurance premiums on a pre-tax basis, thus lowering their taxable income. New employees should be made aware of the plan and may "opt out" using the opt out form printed in the Shopper's Guide. If an employee opts out, be sure to indicate this on the health enrollment form or when reviewing the employee's online enrollment. Paper opt out forms should be retained in the employee's personnel or payroll file.

Existing Employees

Existing employees may only make health coverage changes during open enrollment or when they experience a qualifying event. The qualifying events are as follows:

1. Change in legal marital status – marriage, divorce, or death of a spouse
2. Change in number of dependents – birth, death, adoption, placement for adoption, award of legal guardianship
3. Change in employment status of the employee's spouse or employee's dependent – switching from part-time to full-time employment status or from full-time to part-time, termination or commencement of employment, a strike or lockout, commencement of or return from an unpaid leave of absence which results in employee/dependent becoming ineligible for coverage
4. Dependent satisfies or ceases to satisfy eligibility requirement. Each qualifying event requires documentation as shown below:

Status Change	Documentation Required
Divorce	Provide a copy of the divorce decree showing that the divorce is final.
Marriage	Copy of valid marriage license or certificate.
Birth of Child	Copy of child's birth certificate.
Adoption	Copy of adoption papers.
Adding coverage for a stepchild who resides with the policyholder	Copy of child's birth certificate.
Adding coverage for any other child who resides with the policyholder	Copy of court-ordered guardianship papers
Open Enrollment under spouse's employer's benefit plan	A copy of printed material showing open enrollment dates and the employer's name.
Death of spouse or dependent	A copy of the death certificate.
Beginning of spouse's or dependent's employment	A letter from the spouse's or dependent's employer stating the hire date, effective date of insurance, what coverage was added, and what dependents are covered.

End of spouse's or dependent's employment	A letter from the spouse's or dependent's employer stating the termination or retirement date, what coverage was lost, and dependents that were covered.
Significant change in health coverage due to spouse's or dependent's employment	A letter from the spouse's or dependent's insurance carrier indicating the change in insurance coverage, the effective date of that change and dependents covered.
Unpaid leave of absence by employee, spouse, or dependent	A letter from your, your spouse's, or your dependent's personnel office stating the date that you or your spouse went on unpaid leave or returned from unpaid leave.
Change from full-time to part-time employment of vice versa for employee, spouse, or dependent	A letter from you, your spouse's, or dependent's employer stating the previous hours worked and the new hour worked and the effective date of the change.

Life Insurance

Existing employees may increase their optional or dependent life insurance at any time by completing an Optional Life Insurance enrollment. An Evidence of Insurability form, if needed, will be sent directly to the policyholder by the life insurance carrier.

New or increased coverage is not effective until the first day of the month following approval by the life insurance carrier.

Existing employees may decrease their life insurance coverage at any time by completing an Optional Life Insurance form, as long as they DO NOT participate in the Premium Conversion Plan. Participants in the Premium Conversion Plan must follow stricter rules defined by the IRS. See "Section 125 Administration" in the Premiums section of this book for details.

Mountaineer Flexible Benefits

Existing employees may not enroll in or make changes to their Mountaineer Flexible Benefits during the plan year without a qualifying event.

Transferring Employee

From time to time, you may have an employee who transfers from one participating agency to another. There are specific rules that apply to these individuals. Such a transfer does not create an event enrollment period. In certain circumstances employees transferring may be granted the right to change plans if the premium increase caused by the transfer represents a financial hardship. In this case, the employee must file an appeal with PEIA.

How to Transfer the Employee

The transfer happens when the benefit coordinator at either the new agency or the previous agency goes online and initiates the transfer process. When the transfer is completed online, the employee is not required to complete any paperwork. The benefit coordinator who initiates the transfer causes the Manage My Benefits system to send an e-mail to the other benefit coordinator, who must then go online and approve the transfer. The benefit coordinator who is receiving the transferring employee must set the Index Code. The previous agency must **not** terminate the employee in the Web Contributions System.

When to Transfer the Employee

If the transfer is taking place in mid-month with no lapse in employment, there will be no lapse in coverage. Coverage from the previous employer will continue through the end of the month in which the employee leaves that agency, and coverage with the new employer will begin on the first of the following month.

If the transfer is taking place at the end of the month, with the employee starting with the new employer on the first of the month with no lapse in employment, the policy varies depending on the type of transfer:

From a State agency to State agency: (including colleges, universities and county boards of education) the new employer **must** pay its share of premium for the month the employee is hired and maintain continuous coverage for the employee.

From a State agency to non-State agency: new employer ***may*** choose to pay its share of premium for the month the employee is hired to maintain continuous coverage for the employee. If the employer does not pay its share of the premium, the employee will be required to pick up COBRA coverage for that month, or be without coverage for one month. This could affect the employee's ability to convert sick and annual leave for insurance premiums upon retirement and to receive subsidized health coverage premiums upon retirement.

From a non-State agency to State agency: new employer ***may*** choose to pay its share of premium for the month the employee is hired to maintain continuous coverage for the employee. If the employer does not pay its share of the premium, the employee will be required to pick up COBRA coverage for that month, or be without coverage for one month.

This could affect the employee's ability to convert sick and annual leave for insurance premiums upon retirement and to receive subsidized health coverage premiums upon retirement.

From a non-State agency to a non-State agency: new employer ***may*** choose to pay its share of premium for the month the employee is hired to maintain continuous coverage for the employee. If the employer does not pay its share of the premium, the employee will be required to pick up COBRA coverage for that month, or be without coverage for one month. This could affect the employee's ability to convert sick and annual leave for insurance premiums upon retirement and to receive subsidized health coverage premiums upon retirement.

Marriage

The marriage of an employee is an eligibility event, but it does not qualify the employee to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of the marriage and the two following calendar months. During this time, the employee may make the changes detailed below.

Health Coverage

The employee may add the new spouse and eligible dependents to existing health coverage using the Manage My Benefits system or by completing a Change-In-Status form. Coverage will be effective the first day of the month following the date of enrollment.

The employee may enroll for health coverage if he or she had no health coverage prior to the marriage. Coverage will be effective the first day of the month following the date of enrollment.

If any dependent (except a biological newborn) is in a hospital, nursing home, or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

If the employee does not complete the change during the event enrollment period, he or she cannot make the change until the following open enrollment period.

Life Insurance

The employee may add the new spouse and eligible dependents to an existing dependent life insurance policy during this event enrollment period by completing an Optional and Dependent Life Insurance Enrollment form. Coverage will be effective on the first day of the month following enrollment. To increase the amount of dependent life insurance at this time, the employee may apply online at Manage My Benefits or complete an Optional and Dependent Life Insurance Enrollment. If needed, the life insurance carrier may mail an Evidence of Insurability packet to the policyholder.

If no dependent life insurance coverage existed before the marriage, the employee may enroll for one of five levels of dependent life insurance during this event enrollment period by completing an Optional and Dependent Life Insurance Enrollment form. No medical information will be required. Coverage will be effective on the first day of the month following enrollment. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,500 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/$15,000 on each child

Eligible dependents for life insurance are the same as those listed in the definitions earlier in this chapter. The employee is the beneficiary of this coverage.

If any dependent (except a biological newborn) is in a hospital, nursing home or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

Family with Employee Spouse

In the event that the marriage is between two benefit-eligible public employees, they may elect to enroll as follows: 1) as Family with Employee Spouse in any plan; 2) with two Employee Only coverages or as Employee Only and Employee and Child(ren) in two different plans; 3) with two Employee Only coverages or as Employee Only and Employee and Child(ren) in the PPB Plan (remember they'll have two deductibles and two out-of-pocket maximums this way); or 4) with two Employee Only coverages or as Employee Only and Employee and Child(ren) in the same managed care plan. All children must be enrolled under the same policyholder.

To qualify for the Family with Employee Spouse premium, both employees **must** carry the Basic Life insurance. Both employees are eligible to enroll for the optional and dependent life insurance as well.

Mountaineer Flexible Benefits

The employee's marriage enables him or her to make changes in the Mountaineer Flexible Benefits coverage that are consistent with the event according to the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must contact Fringe Benefits Management Company at 1-800-342-8017 for a status change form.

Birth of a Child

The birth of the employee's biological child is an eligibility event, but it does not qualify the employee to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of birth and the two following calendar months.

Health Coverage

Policyholders must enroll a biological newborn child for health coverage during the event enrollment period using the Manage My Benefits system or by completing a Change-in-Status form. Coverage will be retroactive to the date of birth. If they do not complete the change within this timeframe, they cannot add the newborn child until the next open enrollment period.

Life Insurance

Biological newborns may be enrolled for dependent life insurance during the calendar month of or the two calendar months following the date of birth. To increase the amount of dependent life insurance at this time, or to add the newborn after the qualifying time period has ended, the policyholder may apply online using the Manage My Benefits system or complete a paper Optional and Dependent Life Insurance Enrollment Form. If needed, the life insurance carrier may mail an Evidence of Insurability packet to the policyholder to complete for each dependent.

If no dependent life insurance coverage existed before this eligibility event, the employee may enroll for one of four levels of dependent life insurance during this event enrollment period. No medical information will be required. Coverage will be effective on the first day of the month following enrollment. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,500 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/$15,000 on each child

The employee is the beneficiary of this coverage.

Mountaineer Flexible Benefits

The birth of the employee's biological child enables him or her to make changes in the Mountaineer Flexible Benefits coverage that are consistent with this qualifying event according to the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must contact Fringe Benefits Management Company at 1-800-342-8017 for a status change form.

Adoption

The adoption of a child is an eligibility event, but it does not qualify the employee to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of placement in the home and the two following calendar months. During this time, the employee may make the following changes:

Health Coverage

Policyholders may enroll an adopted child for health coverage during the event enrollment period using the Manage My Benefits system or by completing a Change-in-Status form. Coverage will be made effective retroactive to the date of placement in the home. If they do not complete the change within this timeframe, they cannot add the adopted child until the next open enrollment period.

Coverage for an adopted infant will become effective the day the adoptive parents are legally and financially responsible for the medical expenses if bona fide legal documentation is presented to PEIA.

In the event of an international adoption, the child will be considered to have been "placed in the home" when the policyholder takes physical custody of the child and has legal documentation of his or her responsibility for the child.

Life Insurance

An employee may enroll an adopted child for dependent life insurance during the event enrollment period using the Manage My Benefits system or by completing an Optional and Dependent Life Insurance Enrollment form. If the child is not enrolled during this period, or to increase the amount of dependent coverage, the employee may apply online using the Manage My Benefits system or complete a paper Optional and Dependent Life Insurance Enrollment Form. If needed, the life insurance carrier may mail an Evidence of Insurability packet to the policyholder for completion.

If no dependent life insurance coverage existed before this eligibility event, the employee may enroll for one of four levels of dependent life insurance during this event enrollment period. No medical information will be required. Coverage will be effective on the first day of the month following enrollment. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,500 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/$15,000 on each child

The employee is the beneficiary of this coverage.

Mountaineer Flexible Benefits

The adoption of a child enables the employee to make changes in the Mountaineer Flexible Benefits coverage that are consistent with this qualifying event according to the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must contact Fringe Benefits Management Company at 1-800-342-8017 for a status change form.

Divorce

The divorce of an employee is an eligibility event, but it does not qualify the employee to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of the divorce and the two following calendar months.

The divorced spouse is no longer eligible for coverage as of the last day of the month in which the divorce is final. The policyholder must remove the divorced spouse using the Manage My Benefits system or by completing a Change-in-Status form. A copy of the divorce decree is required. Coverage will terminate on the last day of the month in which the divorce is final. If the employee does not report the divorce immediately, PEIA will terminate coverage retroactively to the date coverage should have ended, and will pursue reimbursement for any claims paid on the ineligible spouse. The employing agency may seek reimbursement from the employee of any employer premiums paid in error.

In the event the policyholder is required by the court to maintain coverage on the ex-spouse, this coverage may only be provided through COBRA or an individual policy. The ex-spouse cannot remain on the employee's coverage, since he or she is NOT an eligible dependent once the divorce is final.

If you become aware of a situation in which a policyholder is divorced, but refuses to report the divorce to PEIA and remove the ex-spouse from coverage, you must contact PEIA to report the situation.

Court-ordered Dependent Children (COD)

If a PEIA-insured employee and his or her spouse divorce, and the employee is not the custodial parent for the dependent child(ren), the employee may continue to provide medical benefits for the adopted or biological child(ren) through the PEIA plan. If the non-custodial parent is ordered by the court to provide medical benefits for the child(ren), the custodial parent may submit medical claims for the CODs, and benefits may be paid directly to the custodial parent. Special claim forms are required. The custodial parent will also receive Explanations of Benefits (EOBs) and medical ID cards for the CODs. To initiate this process, the custodial parent must put the request in writing to PEIA. Please refer custodial parents to PEIA for details.

Enrolling for Coverage Due to Divorce

If the employee loses coverage under another plan due to the divorce, the employee and dependent children may enroll for health coverage using the Manage My Benefits system or by completing a Health Insurance Enrollment form. If the employee enrolls for coverage during the month the divorce becomes final or the two following months, coverage will be effective the first day of the month following the date of enrollment. If the employee does not complete the Change-in-Status form during the event enrollment period, he or she cannot enroll for health coverage until the next open enrollment.

If any dependent (except a biological newborn) is in a hospital, nursing home, or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

Managed Care Plans

If the employee lost coverage under another plan due to the divorce, the employee and dependent children may enroll for managed care plan coverage by completing a Health Insurance Enrollment form. Coverage will be effective the first day of the month following the date of enrollment. The employee must contact the managed care plan to specify a primary care physician for each new enrollee. If the employee does not complete the Change-in-Status form during the enrollment period, he or she cannot join a managed care plan until the next open enrollment.

If any dependent (except a biological newborn) is in a hospital, nursing home or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

Life Insurance

The employee must terminate dependent life insurance on the ex-spouse during this event enrollment period by completing a Change-in-Status form. If the ex-spouse is the only dependent on the dependent life insurance policy, the employee will have to complete a termination form to terminate the coverage.

If the employee loses coverage as a result of the divorce, employees may also enroll for one of four levels of dependent life insurance for any dependent children during this event enrollment period by completing an Optional and Dependent Life Insurance Enrollment form. No medical information will be required. Coverage will be effective on the first day of the month following enrollment. The levels of dependent life insurance are:

Plan 1 $5,000 on the spouse/$2,000 on each child

Plan 2 $10,000 on the spouse/$4,000 on each child

Plan 3 $15,000 on the spouse/$7,500 on each child

Plan 4 $20,000 on the spouse/$10,000 on each child

Plan 5 $40,000 on the spouse/$15,000 on each child

Eligible dependents for life insurance are the same as those listed earlier for health insurance. The employee is the beneficiary of this coverage.

If any dependent (except a biological newborn) is in a hospital, nursing home, or other health care facility on the date coverage would otherwise begin, the effective date of coverage is delayed until the date of discharge.

Mountaineer Flexible Benefits

The employee's divorce enables him or her to make changes in the Mountaineer Flexible Benefits coverage that are consistent with the event according to the plan rules. The rules are spelled out in detail in the Mountaineer Flexible Benefits enrollment materials and in the Mountaineer Flexible Benefits section of this book. To make a change, the employee must contact Fringe Benefits Management Company at 1-800-342-8017 for a status change form.

Termination of Employment

If an active employee terminates employment, he or she must complete a termination form. The termination form MUST include a current address for the employee and the reason for the termination. If the employee is not available to sign the termination form, the benefit coordinator should submit the form without the former employee's signature.

Voluntary Termination of Employment / Resignation

PEIA life and health coverage for an active policyholder and any covered dependents terminates at the end of the month in which the employee voluntarily ceases employment or goes off the payroll. For employees on delayed payroll, coverage will terminate at the end of the month in which their employment terminates, although they may continue to receive paychecks due to their delayed payroll status.

Health Coverage

Health coverage may be continued for up to 18 months under COBRA. The policyholder will be contacted by HealthSmart, PEIA's COBRA administrator, once the termination has been reported, as long as it is within 62 days of termination of employment. See the COBRA section for further details of COBRA coverage.

Life Insurance

Life insurance may be converted to an individual policy. Employees must submit an application and pay the first premium within 31 days after the termination of the life insurance coverage. Coverage under the individual policy will become effective the day after the group coverage ends.

To obtain a Life Insurance Conversion Application Form, call Minnesota Life at 1-304-344-1222. PEIA's life insurance carrier issues the individual life insurance policy and supplies the employee the appropriate enrollment materials and premium rate information.. Premiums for individual policies are generally higher than rates for a group plan.

Involuntary Termination

A policyholder who is terminated from employment involuntarily or through a reduction in force may continue health and life coverage for three additional months after the end of the month in which employment ends. The employer must continue to pay the employer's share of the premium during these three months. The policyholder will be responsible for paying the employee's share of the premium during these three months. Consult your legal counsel if you have questions about continuing this coverage.

Termination for Misconduct

If an employee is discharged for misconduct and chooses to contest the charge, he or she may extend coverage for up to 3 months while available administrative remedies are pursued. If the charge is upheld, the former employee must pay the employer's share of the premium cost for the extended coverage to the former employer.

Health Coverage

After the three months of extended coverage, COBRA is available for health coverage. The policyholder will be contacted by HealthSmart, PEIA's COBRA administrator, when the three-month extension has expired. See the COBRA section for further details of COBRA coverage.

Life Insurance

Life insurance may be converted to an individual policy. Employees must submit an application and pay the first premium within 31 days after the termination of the life insurance coverage. Coverage under the individual policy will become effective the day after the group coverage ends.

To obtain a Life Insurance Conversion Application Form, call Minnesota Life at 1-304-344-1222. PEIA's life insurance carrier issues the individual life insurance policy and supplies the employee the appropriate enrollment materials and premium rate information... Premiums for individual policies are generally higher than rates for a group plan.

Death of the Policyholder

In the event of the death of an active or retired policyholder, any eligible dependents who were covered at the time of death are eligible to enroll for health coverage as surviving dependents. To continue health coverage without interruption, surviving dependents must complete the Surviving Dependent enrollment form, which PEIA mails to the surviving dependent upon notification of the death. The form must be completed in the calendar month the death occurs or the two following calendar months.

Due to ongoing enrollment issues with Medicare, survivors who are covered under the Medicare Advantage Plan and their dependents are automatically enrolled for health coverage when the death is reported. In this case, if the survivor does not wish to continue coverage, he or she must simply contact PEIA to be dis-enrolled.

Surviving dependents must enroll in the same plan in which they were covered at the time of the policyholder's death. During open enrollment, surviving dependents will be mailed the enrollment materials and may select any plan for which they are eligible.

Surviving dependents are not eligible for life insurance.

Surviving dependents may be eligible to continue certain Mountaineer Flexible Benefits under COBRA. See the Mountaineer Flexible Benefits section of this book for details.

Coverage for surviving dependents terminates at the end of the calendar month in which one of the following occurs:

- non-payment of premium;
- surviving dependent terminates or loses coverage;
- child reaches age 26
- surviving spouse remarries; or
- disabled dependent no longer meets disability guidelines.

If the surviving spouse remarries, he or she is no longer eligible for PEIA coverage. If a divorce occurs after the remarriage, re-enrollment as a surviving dependent is not allowed.

Retirement

PEIA offers both health and life insurance benefits to retired employees who qualify. Retirement is an eligibility event, but it does not necessarily qualify the retiree to change health care plans during a plan year. This eligibility event creates an enrollment period consisting of the month of the retirement and the two following calendar months. Retiring employees must be terminated from coverage as an active employee using the Policyholder Termination of Coverage form and must re-enroll for ALL benefits as a retiree. Benefits do not continue automatically into retirement.

Health Benefits

The retiring employee and all enrolled dependents must re-enroll to continue health benefits into retirement. Non-Medicare retirees must continue coverage in the plan in which they were covered as active employees until the next open enrollment, when they can choose any plan for which they are eligible.

Medicare-eligible PPB Plan members who retire after the beginning of a plan year, and retired employees who become eligible for Medicare during the Plan year are transferred to PEIA's Special Medicare Plan for the remainder of that plan year. Members enrolled in an HMO when they become Medicare-eligible may be transferred to the Special Medicare Plan or may choose to remain with the HMO.

Under the Special Medicare plan, the member purchases traditional Medicare Parts A and B, and their secondary medical and prescription claims are paid by HealthSmart and Express Scripts, Inc., respectively. Medical and Prescription Drug benefits under the Special Medicare Plan are generally the same as those provided under PEIA's Medicare Advantage and Prescription Drug Plan. Members remain in the Special Medicare Plan until the following July 1, when they are transferred to PEIA's Medicare Advantage Plan.

Life Insurance

The basic life insurance policy decreases in value at specific ages and at retirement. The retiree pays the premium for the basic life insurance. If he or she has extended employer-paid insurance, the premium is paid by the employer until the extended coverage is exhausted.

The maximum amount of life insurance available to those retiring after January 1, 2003, is $150,000. For those who retired prior to January 1, 2003, the limit was $75,000. The ten levels of retiree life insurance coverage are listed on the retiree optional life insurance form. If the retiree wants more coverage as a retiree than he or she had as an active employee, he or she must apply for that coverage within the month of retirement and the two following months. If needed, the life insurance carrier may mail an Evidence of Insurability packet to the policyholder for completion. If the employee wants the same amount or less coverage as a retiree than he or she had as an active employee, then no medical information is required.

Retiring employees can continue their dependent life insurance into retirement. If they want the same plan they had as an active employee, no medical information is required. If they want to increase coverage, the life insurance carrier may mail an Evidence of Insurability packet to the policyholder for completion if needed. The dependent life insurance coverage is not decreasing term coverage, so it does not lose value as the dependent ages.

Mountaineer Flexible Benefits

Dental and vision benefits are available to retired employees through the Mountaineer Flexible Benefits plan on an after-tax basis.

At the time of retirement, the retiring employee may be eligible to continue certain benefits under COBRA, and to extend the Medical Flexible Spending Account until the end of the plan year. See the Mountaineer Flexible Benefits section of this book for details.

Handling the Paperwork

At the time of retirement, the active employee will return all retirement paperwork to the benefit coordinator. You are responsible for completing the agency portion of the PEIA forms, including the Policyholder Termination of Coverage form, and **IMMEDIATELY** submitting those forms to PEIA. Sample forms are included in the Forms section. Do not hold retirement forms. Correction to sick/annual leave may be sent to PEIA after the final work day.

Special Retirement Rules

There are some additional retirement rules that apply to specific groups of retirees. They are listed below:

Deferred Retirement

If an employee separates from employment before retirement from a participating employer under the State retirement plan, the employee may not enroll in PEIA as a retiree if he or she has had other (private sector) employment just prior to retirement. To be eligible to enroll in PEIA as a retiree, the employee's last employer immediately prior to retirement must have been a public entity that participates in the State retirement system, a PEIA-approved retirement system, or in the PEIA Plan.

Separated Pre-retirement Employees with 20 Years' Service

Employees with 20 or more years of service, who separate from public employment but who have not retired, may enroll in PEIA health benefits for up to two (2) years following separation. Employees in this category will be required to pay 105% of the total premium for the coverage they choose. Enrollees in this category are not eligible for PEIA's retiree premium assistance program or retiree premium subsidy until such time as they meet CPRB and PEIA's eligibility requirements as a full retiree.

Disability Retirement

A member who is granted disability retirement by a state retirement system is eligible to continue coverage in the PEIA Plan as a retired employee. Members in this category pay the same premiums as those with 25 or more years of service. A retiree who receives SSA disability, rather than state disability, is eligible for the reduced premium (25 year premium) if PEIA is notified. Refunds will not be granted.

Deputy Sheriffs

Deputy Sheriffs may retire prior to attaining age 55, but retiring early has an impact on their PEIA premiums. These retiring deputy sheriffs must pay the full cost of their health insurance coverage. PEIA has developed two benefit plan options for these individuals. Those considering early retirement should call PEIA for details of their plans and premium requirements.

Extending Employer-Paid Insurance Upon Retirement

Employees may be eligible to extend employer-paid insurance upon retirement, but how they do that is determined by the employer. To take advantage of this benefit, they must move directly from active public employment into their respective retirement system. If they choose to defer retirement, they cannot defer sick and annual leave for use later. Elected public officials are not eligible for this benefit. This benefit terminates when the policyholder dies; it cannot be used by surviving dependents who may continue coverage by paying the monthly premium.

Employees may also have the option to use accrued leave to increase retirement benefits from their retirement system. They must choose between additional retirement benefits and extended employer-paid insurance coverage. They may not use some of their accrued leave to increase their retirement benefit and the rest to extend their employer-paid insurance coverage. Once this election is made, they may not revoke the selection.

Using Accrued Sick and Annual Leave to Extend Coverage

Employees of state agencies, colleges, universities and county boards of education with coverage through the PEIA who have accrued sick and/or annual leave when they retire may use that accrued leave to extend employer-paid health and basic life insurance coverage. Employees hired on or after July 1, 2001, are not eligible for this benefit.

If the policyholder dies, the accrued sick and annual leave benefit terminates, even if the surviving dependent continues coverage.

If an employee and spouse are both public employees eligible for extended employer-paid insurance coverage, they may combine their accrued leave to extend family coverage provided each of their respective employers agrees. The form to confirm this agreement is included in the Forms section of this manual. If one of these retirees dies while using accrued leave, PEIA will recalculate the benefit of the surviving retiree, and will allow that retiree to use any remaining days that are attributable to the survivor. The surviving public employee may not use the deceased public employee's accrued leave – only his or her own leave.

The amount of this benefit depends on when employees came into the PEIA plan as follows:

Before July 1, 1988:

If employees have been continuously covered by PEIA since before July 1, 1988, their additional coverage is calculated as follows:

2 days of accrued leave = 100% of the premium for one month of single coverage

3 days of accrued leave = 100% of the premium for one month of family coverage

After July 1, 1988, but before July 1, 2001:

If employees were hired after July 1, 1988, or had a lapse in coverage after July 1, 1988, their additional coverage is calculated as follows:

2 days of accrued leave = 50% of the premium for one month of single coverage

3 days of accrued leave = 50% of the premium for one month of family coverage

This extended coverage must be for full months; partial months are not allowed. The policyholder may not use accrued leave to extend basic life insurance exclusively; to use the accrued leave, health coverage must be extended.

Extending Coverage for Higher Education Faculty

Full-time faculty members employed on an annual contract basis for a period other than 12 months may extend employer-paid insurance coverage based on their years of teaching service. Their benefit is calculated as follows:

3 1/3 years (40 mo.) of teaching service = 1 year of single coverage

5 years (60 mo.) of teaching service = 1 year of family coverage

This benefit is not available to faculty hired on or after July 1, 2009.

Leaves of Absence

It is the employer's responsibility to make the determination regarding an employee's eligibility for a leave of absence. It is important to note that a leave of absence is intended for an employee who is expected to return to work and for whom the employer maintains an open position. It is not intended to extend medical benefits for individuals who are not eligible to retire and are unable to return to work, or for whom a position is not being held open. Such a person is not an employee and it is improper to continue his or her health coverage as if he or she were still an employee. Employers are reminded that under State law it is a felony to misrepresent any material fact to obtain PEIA benefits to which a person is not entitled. (W. Va. Code §5-16-12)

PEIA now identifies policyholders who have coverage through PEIA, but are not contributing to a retirement system. When one of these policyholders is identified, PEIA mails a leave of absence report to the benefit coordinator requesting that the benefit coordinator verify the status of the employees on the report. Many of those on the report are on leaves of absence, but some may have terminated employment. The report form is self-explanatory. The benefit coordinator has 10 days to complete the form and return it to PEIA. If the form is not returned, benefits for the individuals listed on the report will be terminated.

Medical Leave (Non-Workers' Compensation)

Any employee who is on a medical leave of absence due to an injury or illness that is not covered by Workers' Compensation is eligible to continue coverage subject to the following:

- the medical leave must be approved by the employer;
- the employee and employer must continue to pay their respective proportionate shares of the premium cost;
- the employer is obligated to pay its share for a period of only one year, after which the employee may be required to pay the full cost of coverage; and
- each month the employee must submit to the employer a physician's statement certifying that the employee is unable to return to work. This statement should be maintained in the employee's file, and not submitted to PEIA unless requested.

As mentioned above, it is the employer's responsibility to make the determination regarding an employee's eligibility for medical leave. It is important to note that medical leave is intended for an employee who is expected to return to work and for whom the employer maintains an open position. It is not intended to extend health benefits for individuals who are not eligible to retire and not able to work, and for whom a position is not being held open. Such a person is not an employee and it is improper to continue their coverage as if they were still an employee. Employers are reminded that under State law it is a felony to misrepresent any material fact to obtain PEIA benefits to which a person is not entitled (W.VA Code § 5-16-12).

Medical Leave (Workers' Compensation)

Any employee on a leave of absence and receiving temporary total disability benefits from Workers' Compensation is entitled to continue PEIA coverage until he or she returns to work.

The employer and employee must continue to pay their respective proportionate shares of the premium cost for as long as the employee receives temporary total disability benefits.

Personal Leave

An employee may continue insurance coverage while on a personal leave of absence approved by the employer. The monthly premium will be paid according to the policy or agreement established by the employer.

It is the employer's responsibility to make the determination regarding an employee's eligibility for personal leave. It is important to note that personal leave is intended for an employee who is expected to return to work and for whom the employer maintains an open position. It is not intended to extend health benefits for an individual for whom a position is not being held open. Such a person is not an employee and it is improper to continue coverage as if he or she were still an employee. Employers are reminded that under State law it is a felony to misrepresent any material fact to obtain PEIA benefits to which a person is not entitled (W.VA Code § 5-16-12).

Family Medical Leave of Absence

An employee on family or medical leave, approved by his or her employer, may continue insurance coverage through the PEIA. The premiums for such coverage must be paid on a monthly basis during this leave.

Individual employers must determine whether either of the leave statutes applies when an employee takes family or unpaid medical leave. The federal Family and Medical Leave Act is applicable to state and local governments with 50 or more employees. It allows an employee who has worked at least a year to take up to 12 weeks of unpaid leave during a 12-month period, due to the employee's own serious illness, the illness of a child, spouse or parent, or the birth or adoption of a child.

The Parental Leave Act applies only to State agencies and county boards of education. It also allows up to 12 weeks of unpaid leave, to an employee who has worked at least 12 weeks, but only for the illness of a child, spouse, parent or other dependent, or for a birth or adoption. The federal and state laws differ in other requirements.

Once you have determined whether either of the state or federal laws apply, you can determine who is to pay the PEIA premium during the period of leave. Under the federal Family and Medical Leave Act, the employer must continue to pay its share of the premium. The employee, of course, must also continue to pay his or her share. If the employee fails to return to work after a leave, then the employer may seek to recover its share of the premiums, with certain limitations. The employer would not, in this event, be entitled to a refund from the PEIA, but would have to recover directly from the employee.

Under the State Parental Leave Act, an employee on unpaid leave must pay the entire cost of the PEIA premium during the period of leave. The premium is paid to the employer (as with any other leave of absence), who forwards this payment to the PEIA with its regular monthly remittance.

State agencies with questions about the Family and Medical Leave Act or the Parental Leave Act may contact the Division of Personnel, Employee Relations Section, at (304) 558-3850. Other employers are encouraged to consult their legal advisor.

Military Leave

For an employee on military leave with pay, health and life insurance benefits will generally continue without interruption, as long as the employee is on the payroll.

An employee who is on an approved military leave of absence without pay, due to an active call of duty from the President, is entitled to continue health and life benefit coverage for as long as premium payments are made. The employee is responsible for paying the employee share of the premium each month during the military leave of absence, and Governor Wise's Executive Order No. 19-01 requires the employer to pay its share. Upon return from a military leave, if there has been a lapse in coverage, the employee may generally reinstate the same health and/or life insurance benefits without penalty.

Leaves of Absence for Teachers and Service Personnel

Any teacher or school service employee who is returning from an approved leave of absence of one year or less shall be restored to the same benefits which he or she had at the time of the approved leave of absence.

When Coverage Ends

Certain events will cause PEIA benefits for employees and/or their covered dependents to terminate. Generally, coverage ends when an individual is no longer eligible.

In most cases employees have the option to extend health coverage under the Federal COBRA law, or convert their health and/or life benefits into private insurance policies. All of these options are at the employee's expense and require them to act within a specified time. They are explained in detail in the Summary Plan Description.

Voluntary Termination of Benefits

PEIA coverage for an active policyholder and any covered dependents terminates at the end of the month in which the employee voluntarily terminates the coverage. To be eligible to terminate coverage in the middle of a plan year, the employee must experience a qualifying event that would permit the termination. Documentation of the qualifying event is required. Otherwise, the policyholder may only terminate benefits during Open Enrollment each spring, effective on the first day of the next plan year.

Suspensions

As long as the employee-employer relationship exists, the PEIA policyholder may continue health and/or life benefits provided that the employee continues to pay the employee share of the premium.

Retiring Employees

Coverage for a retiring employee will terminate at the end of the month in which the employee goes off the payroll unless forms have been completed to continue coverage as a retiree.

Dependents/Surviving Dependents

Coverage for dependents terminates at the end of the calendar month in which one of the following occurs:

- policyholder (active or retired) terminates or loses coverage;
- divorce from employee;
- child reaches age 26;
- surviving spouse remarries;
- disabled dependent no longer meets disability guidelines; or
- policyholder voluntarily removes the dependent from coverage.

Failure to Pay Premium

An employee's coverage as an active or retired policyholder, and coverage of their dependents, will be terminated if they fail to pay their premium contributions when due.

Premiums are due by the fifth day of the month following the month for which the premium was invoiced. Example: May premium is due June 5. If payment is not received by PEIA within 15 days following the due date, all medical claims will be pended. Additionally, the PEIA drug card will be suspended. If payment is not received within 30 days following the due date, coverage will be cancelled, and all claims incurred will be the employee's personal responsibility.

Employer Withdrawal from the Plan

By its agreement to participate in the PEIA plan, a non-state agency is required by PEIA to stay in the plan for a minimum of three years. If a participating county or municipal government or other employer withdraws or is terminated from the PEIA plan, coverage for all affected insureds ends on the effective date of that employer's withdrawal/termination.

Retirees eligible to participate in a Consolidated Public Retirement Board (CPRB) plan may continue participation in PEIA. The withdrawn agency is billed a subsidy premium for these retirees. Retirees not eligible to participate in CPRB must look to their former employer for retiree coverage.

Options after Termination of Coverage

If an employee's PEIA coverage terminates, he or she may have a right to continue health and life coverage. The options are explained below.

Continuing Health Coverage under COBRA

The employee and the employee's enrolled dependents may have the right to continue current health coverage for a limited time under the federal Consolidated Omnibus Budget Reconciliation Act (COBRA). PEIA's COBRA program is administered by HealthSmart, and all COBRA eligibility is maintained by HealthSmart. New enrollees in any PEIA-sponsored health plan will receive a detailed notice of their COBRA rights from HealthSmart.

Their dependents may elect to continue coverage for up to 18 months due to termination of the employee's employment (other than by reason of gross misconduct) or reduction in work hours.

The employee's dependents are eligible to continue coverage in their own right for a maximum of 36 months under COBRA in the case of:

- divorce or legal separation;
- loss of eligibility of dependent children; or
- death of employee.

An election to continue coverage under COBRA must be made within 62 days of the end of the coverage. If they elect to continue coverage under COBRA, they will be responsible for paying the full premium plus a 2% administrative fee. Please note that COBRA premiums are billed directly to the policyholder, and are printed in the Shopper's Guide each year.

To enroll for COBRA benefits the policyholder should contact HealthSmart at 1-888-440-7342.

If 18 months of COBRA coverage is provided due to termination or reduction in hours of employment, and if any COBRA beneficiary is determined to be disabled under the Social Security Act at any time during the first 60 days of this COBRA coverage, then the 18-month continuation period may be extended to 29 months for all individuals who are qualified beneficiaries. The disabled person can be a covered employee or a dependent. The disability determination must be reported to PEIA within 60 days of the determination and before the end of the original 18-month coverage period.

Under COBRA, PEIA will charge 150% of the applicable premium for coverage during the 11-month disability extension. If a second qualifying event occurs during the 11-month extension, entitling a qualified beneficiary to 36 months of coverage (an additional 7 months of coverage), then PEIA will charge 150% of the applicable premium until the end of the 36-month continuation coverage period.

Coverage under COBRA will cease under these circumstances :

- the person who elected COBRA becomes covered under another group plan (unless it contains a pre-existing condition exclusion that reduces your benefits);
- the person who elected COBRA becomes entitled to Medicare;
- the person who elected COBRA fails to pay the premium;
- the policyholder's former employer withdraws or is terminated from the PEIA plan; or
- the PEIA PPB Plan ends.

If the qualified beneficiary is covered by another health plan or Medicare before the COBRA election is made, he or she may make a COBRA election. In other words, the former employer may end the right to COBRA continuation coverage based upon other group health plan coverage or entitlement to Medicare benefits only if the qualified beneficiary first becomes covered under the other group health plan coverage or entitled to (covered for) the Medicare benefits after the date of the COBRA election.

Converting Life Insurance to an Individual Policy

When employment ends, employees may convert all or part of their life insurance coverage into an individual policy. Dependents who lose eligibility for life insurance coverage may convert optional dependent life insurance to an individual policy. This provision does not apply to retired employees or their dependents. Coverage lost due to retirement can be converted to an individual policy, however, coverage continued into retirement cannot be converted, because it can be continued indefinitely.

Employees must submit an application and remit the first premium within 31 days after the termination of the life insurance coverage. Coverage under the individual policy will become effective the day after the group life insurance coverage ends.

To obtain a Life Insurance Conversion Application Form, call Minnesota Life. PEIA's life insurance carrier, not PEIA, issues the individual life insurance policy. Once employees have completed the application form, have them mail it to the address printed on the application form. Premiums for individual policies are generally higher than rates for a group plan.

Annual Open Enrollment Period

Each year, PEIA holds an open enrollment period during which PEIA insureds may choose among managed care plans and the PEIA PPB Plan, and may make eligibility changes without a qualifying event. Dependents added during open enrollment still require documentation before they are added to the plan. During Open Enrollment, participants may move between plans without penalty and no pre-existing condition limitations are applied.

During Open Enrollment, eligible policyholders who have not taken advantage of any health coverage from PEIA also have the opportunity to enroll in the PEIA PPB Plan or any managed care plan subject to the deadlines and rules in force for that enrollment period.

Selections made during Open Enrollment are effective on the first day of the following plan year, and remain in effect for a full plan year unless the member moves outside the enrollment area of his or her managed care plan. Since the PEIA PPB Plan does not have an enrollment area, mid-year changes are not allowed based on this rule. A physician's withdrawal from a managed care plan does not qualify a member to change plans in the middle of a plan year.

Prior to the Open Enrollment, PEIA mails a Shopper's Guide to all eligible employees. The Shopper's Guide provides a side-by-side comparison of the most commonly used aspects of all plans offered. It is intended as a general guide to the available plans. Members requiring further information about a specific plan should contact that plan directly.

Medical Identification Cards

HealthSmart, PEIA's Third Party Administrator (TPA) for medical claims, issues the combined medical and prescription drug identification (ID) cards for the PEIA PPB Plans.

Members who choose Employee Only coverage will receive one ID card; all other tiers of coverage receive two cards. Employees may request additional or duplicate medical ID cards from HealthSmart by calling 1-888-440-7342. Cards will be mailed within 7 to 10 business days.

Managed Care Organizations issue medical ID cards to their members and dependents. It is the employee's responsibility to choose a primary care physician for each family member and to report that choice to the managed care plan. ID cards cannot be issued until a primary care physician has been chosen. Any change in a member's primary care physician must also be reported to the HMO. If an employee does not choose a primary physician, one will be automatically assigned after 31 days, and then ID cards will be mailed.

For Medicare-eligible retirees, PEIA's Medicare Advantage Plan and Prescription Drug Plan (PDP), currently Humana, issues medical ID cards and PEIA's Medicare Part D Plan, currently Express Scripts, Inc., issues prescription drug ID cards.

Employee's Responsibility to Make Changes

It is your employees' responsibility to keep their PEIA enrollment records up to date. They can manage their enrollment records using the Manage My Benefits system or notify you immediately of any changes in their family situation, and complete the appropriate change forms to keep their PEIA coverage up to date. Examples of such changes include a change of address, a change in marital status, or a dependent child no longer qualifying for coverage.

An employee should do this whether they belong to the PEIA PPB Plan, a managed care plan or if they have elected only life insurance coverage. If they fail to promptly report changes in their family status, then your agency may seek, from the employee, reimbursement of any premiums paid by the employer in error.

If you become aware of a change in status that is not being reported to PEIA promptly by the policyholder, please contact PEIA to report the information so our staff may pursue it.