

HEALTH BENEFITS E-NEWS

Department of Human Resource Management Office of Health Benefits

February 4, 2009

Open Enrollment Set for April 15 to May 15

Spring Open Enrollment for health benefits and flexible reimbursement accounts will begin on April 15 and end on May 15, 2009. During the annual Open Enrollment period, eligible state employees and non-Medicare retirees may make changes to health care membership and plan options. Employees may also enroll in a flexible reimbursement account. In order to receive Open Enrollment communications materials and vital health plan information, it is extremely important that employees and retirees provide up-to-date personal information, including correct mailing addresses, telephone numbers and state and personal e-mail addresses. Please be sure that your agency employees' personal information is accurate in BES by April 1. Encourage employees to use EmployeeDirect to update their personal information. Instructions on how to use EmployeeDirect may be found at <http://www.dhrm.virginia.gov/hbenefits/openenroll08/EmployeeDirectFlyer2008.pdf>.

Health Benefits WTA Fact Sheets Available Online Soon

Office of Health Benefits has developed subject-specific Workforce Transition Act (WTA) fact sheets to assist Benefits Administrators in handling leave without pay layoffs. Fact sheets on *Severance and Placement* and *Severance and Retirement* are attached. This and other information will be posted soon under Benefits Administration, Resources at <http://www.dhrm.virginia.gov/resources/benefitsadmin/benefitsadmintoc.html>.

Collecting Premiums from Terminating Employees

Health care coverage for terminating employees continues through the end of the month in which the termination occurs. The terminating employee is responsible for the employee portion of the health care premium for the month of termination. Premiums can be payroll deducted from the terminating employee's last pay check or paid to the agency by personal check.

Previously, if the full premium was not paid for the month of termination, agencies could terminate coverage on the last day of the month for which premiums were paid in full. Beginning immediately, health care coverage must not be cancelled retroactively for terminating employees. When employees terminate, agencies are responsible for collecting the total monthly premium.

Retirees Receiving Creditable Coverage/Late Enrollment Penalty Letters from Medco

Medco has sent letters to some retiree group participants enrolled in the Advantage 65 or Advantage 65 with Dental and Vision plans (which include Medicare Part D prescription drug coverage) asking them to substantiate that they have had creditable drug coverage since becoming eligible for Part D. As you may be aware, Medicare beneficiaries who are eligible for Part D but who do not have creditable coverage (coverage that pays a benefit that is at least as much as the standard Medicare Part D benefit) for 63 or more days are subject to a late enrollment penalty. Participants in our plan might receive this letter because they:

- were still covered in the active plan when they became eligible for Part D; or,
- had some initial Part D enrollment delays in the Medco system; or,
- came into the state retiree program from another plan due to a qualifying mid-year event after they became eligible for Part D.

If these participants were covered in the state program since their eligibility for Part D, regardless of plan, DHRM will work with Medco to attest to their creditable coverage. DHRM is currently working with Medco to identify any of our Part D plan participants who have a gap in creditable coverage. Based on the information we have already received, the majority of letter recipients have been covered under the state program and, therefore, have had creditable coverage. However, if the participant was not in the state program back to the date in question, as designated in the letter, they will have to provide their own documentation of creditable coverage.

As you know, DHRM provides agencies with creditable coverage notices and a list for distribution to Medicare beneficiaries who are covered in the active plan. This notice provides documentation of creditable coverage for those moving into the state program's Medicare Part D plan after initial eligibility or for those who need documentation when moving to another, non-state-program Part D plan. Despite our providing this notice, however, DHRM will attest to any participants who have had creditable coverage under the state program, so no action should be necessary in those cases. If anyone has questions about creditable coverage and has not retained their creditable coverage notice, a copy is included in the COVA Care and COVA HDHP Member Handbooks.

Finally, as these issues are being resolved, current participants with continuous state program drug coverage may rest assured that no penalty will be applied to their state program premium at this time.