HEALTH BENEFITS E-NEWS

Department of Human Resource Management
Office of Health Benefits

August 13, 2010

Health Reform Age 26 Provision Will Take Effect July 1, 2011

For state health plan members, the provision in national health reform legislation requiring **coverage for dependents up to the age of 26** will take effect for the plan year beginning **July 1, 2011**. Employees and non-Medicare eligible retiree group members will be able to add eligible natural, adopted and other children to their coverage during spring 2011 Open Enrollment. Further information will be available in Open Enrollment materials.

As indicated earlier, health reform's only impact for the current plan year relates to Medical Flexible Reimbursement Accounts, which will no longer reimburse participants **for over-the-counter drug expenses starting Jan. 1, 2011.**

Questions about health reform should be addressed to the Office of Health Benefits at (804) 225-3642, toll free at (888) 642-4414 or by e-mail at ohb@dhrm.virginia.gov.

Medicare Secondary Payer Debts

As a reminder, if agencies receive any correspondence from Medicare, MSPRC (Medicare Secondary Payer Recovery Contractor), the US Department of Treasury, or its agents (e.g. Pioneer Credit Recovery) regarding a debt to Medicare, send it immediately to the Office of Health Benefits (OHB) for tracking and resolution. In general, these "debts" represent medical claims that have been paid by Medicare, but Medicare later determined that the employer group health plan, not Medicare, may have correctly been the primary payer. Therefore, Medicare is seeking reimbursement. These claims must be researched with the health plan claims administrator (e.g., Anthem, Optima), to determine whether payment is appropriate or a dispute needs to be filed. It is not the agency's responsibility to resolve these Medicare debts.

Also, if an agency is notified by its accounting organization that there has been an offset to federal funding due to a Medicare debt, or if the agency receives a refund from MSPRC, OHB should be contacted immediately for assistance.

It is critical that any of these matters be forwarded to OHB since interest will accrue on any claims that are ultimately determined to be the responsibility of the state program. All information should be faxed to (804) 371-0231.

Changes to New Retiree Enrollments

When eligible new VRS retirees elect coverage in the State Retiree Health Benefits Program, Benefits Administrators should key the election in BES and send a copy of the enrollment form to VRS. The enrollment form is used by VRS to facilitate premium deductions. If the retiree makes a change in election before the retiree coverage goes into effect, it is critical that the Benefits Administrator not only update BES, but provide a copy of the updated enrollment form to VRS for correcting the premium. Failure to do so results in a mismatch in the election in BES and the amount of premium being deducted by VRS. As a reminder, eligible retirees have 31 days from their retirement date to enroll in retiree coverage. However, once the election has been made and the coverage has begun, the election may not be changed, even if it is still within the 31-day enrollment window.

ARRA Requests for Treatment as Assistance Eligible Individuals

If terminating employees complete the *Request for Treatment as an Assistance Eligible Individual* that is still a part of the COBRA Election Notice, but they are not making any claim that their termination of employment qualifies for the subsidy (e.g., they are not claiming that their termination was involuntary), Benefits Administrators do not need to send the request to the Office of Health Benefits (OHB), and they may key the COBRA Election. Of course, if there is any question about the former employee's eligibility for the subsidy, and the employee has requested premium assistance, always send it to OHB along with the agency's description of the reason for termination. In those cases, OHB will key the election once the ARRA determination has been made. Remember--current guidance indicates that involuntary terminations from September 1, 2008, through May 31, 2010, may qualify for the subsidy, even if they are followed by a WTA severance period, as explained in the COBRA Election Notice.