

# **HEALTH BENEFITS E-NEWS EXTRA**

*Department of Human Resource  
Management  
Office of Health Benefits*

*June 23, 2014*

## **Changes in Health Benefits Eligibility Definition for Full-Time Employees**

Beginning June 25, 2014, those employees in salaried positions who work 30 hours or more per week will be considered full-time and eligible for the employer contribution to health care premiums. This change results from the Affordable Care Act (ACA) and state legislation.

The eligibility definition for health benefits coverage continues to be “full-time or part-time, salaried, classified state employees or regular, full-time or part-time, salaried faculty members; and for classified or similarly situated employees in legislative, executive, judicial or independent agencies who are compensated on a salaried basis.” Part-time salaried employees who work less than 30 hours will pay the entire cost for health care.

Eligible employees working between 30 and 31.9 hours who are already enrolled in health care coverage will automatically receive the state contribution beginning July 1, 2014. Remember this change from part-time to full-time status is a qualifying mid-year event (QME) because the employee gains access to the state contribution for health care. Employees newly eligible for the employer premium contribution and who are not currently enrolled in the program as part-time employees can make health care elections within 60 days of the event. The agencies can update BES using reason code 78 for the QME. No enrollment or changes are allowed to a health flexible spending account election due to this change in status

## **ACA Health Insurance Marketplace Notice Revised**

To comply with provisions of the Affordable Care Act (ACA), the Office of Health Benefits is providing the attached revised Health Insurance Marketplace Coverage Notice which is effective on June 25, 2014. Any employee hired on or after that date must receive the notice within 14 days of employment, **regardless** of eligibility for state health benefits.

## **Extended Coverage Notice Revised**

An updated Extended Coverage/COBRA Election Notice is available for your immediate use at <http://www.dhrm.virginia.gov/resources/benefitsadmin/notices.html> and includes the following changes:

- Addition of Health Insurance Marketplace language per the U.S. Department of Labor model notice
- Simplification of plan premium information format (premium rewards are explained but not included in the premiums provided in the Notice)

A few reminders:

- You have 14 days from the coverage loss date (or notification of the qualifying event, if required) to provide a timely Election Notice.
- Dropping coverage due to Open Enrollment (employee or covered family member) is not a COBRA qualifying event.
- A plan change is not allowed at the start of Extended Coverage/COBRA.

- When preparing a Notice, you may need to make some adjustments in formatting/spacing so that the Election Form can be removed from the package without removing the informational sections of the Notice.
- More information about Extended Coverage/COBRA administration is available at <http://www.dhrm.virginia.gov/hbenefits/HPBAdminManual/ExtendedCoverage.pdf>.
- If you need the status (under or overspent) of a Health Flexible Spending Account, send an Agency Request for Assistance Form to the Office of Health Benefits.

### ***Guidelines for Providing HIPAA, Medicare Part D and Extended Coverage (COBRA) Notices***

As a reminder, there are certain times when notices and plan information must be provided to employees and/or dependents who enroll in a state health plan or flexible reimbursement account, or who are no longer covered under the State Health Benefits Program. Here are notice guidelines:

#### **Upon Enrollment**

When an employee enrolls or adds a spouse **for the first time** in health care and flexible reimbursement accounts, you must provide:

- A HIPAA Employee/Retiree Privacy Notice
- An Extended Coverage (COBRA) General Notice
- A Medicare Part D Notice of Creditable Coverage (not personalized format)

#### **When Coverage Ends**

When an employee is no longer covered under the program, you must provide:

- A Certificate of Creditable Health Coverage as required by HIPAA to health plan members (including employees, spouses and covered dependents) who cease to be covered under the State Health Benefits Program for any reason.
- An Extended Coverage (COBRA) Election Notice **only** when a member has experienced a qualifying event under Extended Coverage, such as termination of employment or loss of dependent child status.

***Please do not reply to this e-mail. You may send inquiries to the Office of Health Benefits mailbox at [ohb@dhrm.virginia.gov](mailto:ohb@dhrm.virginia.gov).***