



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#10-03

To: Benefits Administrators
From: State and Local Health Benefits Programs
CC: All OHB
Date: April 10, 2010
Re: Health and Flexible Benefits Open Enrollment

What's New

Important Note! National health care reform passed in March. Medical FRAs may not be used for over-the-counter drug expenses starting Jan. 1, 2011. Legislation permitting children up to age 26 to remain on their parents' health plan is not effective until after fall 2010. We will share updates as information is available.

Open Enrollment for health benefits and flexible reimbursement accounts (FRAs) is April 16 – May 17, 2010. The following are changes for the plan year beginning July 1:

COVA Care/COVA Connect

- **Employee premium costs will increase.** Health benefits program reserves will again absorb a portion of higher health care costs. See *Spotlight*, page 3.
- **No plan changes.**

COVA HDHP

- **Deductible increases** to \$1,750 from \$1,200 for one person and to \$3,500 from \$2,400 for two or more persons. The higher deductible complies with IRS guidelines. See *Spotlight*, pages 4 and 5.

Kaiser Permanente HMO

- **Employee premium costs will increase.** Health benefits program reserves will again absorb a portion of higher health care costs. See *Spotlight*, page 3.
- **Behavioral health group therapy copayment decreases** to \$10 from \$20 for non-medical professional visit (licensed professional with a master's or PhD degree). The individual therapy copayment is still \$20.

- **\$75 copayment continues** for specialty lab and imaging, used for such services as genetic testing, MRIs and CT scans.

Flexible Reimbursement Accounts

- **Over-the-counter drug expenses** cannot be reimbursed through a Medical FRA starting Jan. 1, 2011 based on national health care reform legislation. See *Flexible Benefits Program* link at www.dhrm.virginia.gov.
- **Claims filing made easier!** Simply scan your claim on a computer and submit the scanned documents on the FBMC Web site. See *Spotlight*, page 7.

Education Program Required Before Obesity Surgery

- Introduced on February 15, the pre-surgery education program for those contemplating bariatric or lap band surgery continues during the new plan year. See *Spotlight*, page 6.

Communications for Employees

- **Spotlight on Benefits newsletter**
 - Will be e-mailed to you to send to employees with e-mail access the week of April 12.
 - Will be mailed in a 9x12 envelope to employees at their home addresses (mailing schedule to be determined).
 - Envelope also includes a Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) annual notice required by the Department of Labor.
- **FAQs on COVA Connect**
 - Available on the DHRM Web site at the same time as Spotlight.
- **About Your Benefits** program guide for all employees
 - Available on the DHRM Web site at the same time as Spotlight. Gives an overview of health benefits, including plan service and zip code areas, and ongoing benefits that add value such as maternity management, CommonHealth and disease management programs.
- **Member Handbook and Notification of Changes**
 - New COVA Connect Member Handbook mailed to employee home addresses in July.
 - Notification of Changes to COVA Care Member Handbook coming in June and will be distributed by Benefits Administrators.
 - Kaiser Permanente Evidence of Coverage mailed to employee home addresses in August.
- **DHRM Web site**
 - Open Enrollment information will be posted beginning Monday, April 12.
 - Spotlight
 - COVA Connect FAQs
 - EmployeeDirect
 - Flexible Benefits Program Sourcebook
 - FRA Worksheet
 - Enrollment forms
 - Open Enrollment flyer

- Open Enrollment Power Point
 - A separate Power Point presentation **for employees** will be available soon on the DHRM Web site.
 - A Power Point presentation **for Benefits Administrators** will be posted soon on the DHRM Web site under HR Community, Benefits Administration, Resources.

Open Enrollment Materials

New materials will be available for order beginning the week of April 12. Materials have been shipped as indicated below.

- **Extra Spotlights**

A limited number may be ordered by writing in “Spotlight” and the quantity using the State Materials Order Form.

- **Provider Directories**

COVA Care and COVA HDHP provider directories are available to order or members may visit www.anthem.com/cova. For the COVA Connect provider directory, visit www.optimahealth.com/cova.

- **Flexible Benefits Sourcebook**

A supply will be shipped the week of April 5 based on 2 percent of the BES count for your agency. After receiving your shipment, download the sourcebook from the DHRM Web site or use the State Materials Order Form if you need more.

- **FRA Worksheet**

The worksheet may be downloaded from the DHRM Web site.

- **Active Enrollment Form**

The enrollment form may be copied or downloaded from the DHRM Web site. Use the State Materials Order Form if you prefer.

- **Extended Coverage Change Form**

Effective with COBRA qualifying events occurring in June with a July 1 COBRA start date, qualified beneficiaries will no longer need to complete a separate COBRA enrollment form to enroll in coverage.

- The Election Form that is included as a part of the Election Notice will serve as the initial enrollment vehicle to be keyed by agencies.
- A COBRA change form is currently being finalized and can be used by existing COBRA participants to make allowable changes to their coverage.
- An updated Election Notice will be available for your use in time to offer COBRA for qualifying events in June. Current COBRA participants will have access to the change form for Open Enrollment.
- Since DHRM acts as Benefits Administrator for COBRA participants, agencies should not need to stock the new change forms, but they may be downloaded from the DHRM web site should you receive any requests.

- **FRA Election Form**
No longer available. Have employees complete the Flexible Reimbursement Accounts section of the Enrollment Form for Active Employees.
- **Open Enrollment Flyer**
The attached flyer reminding employees of Open Enrollment may be copied or downloaded from the DHRM Web site for posting in visible locations at your agency.
- **Current Member Handbooks**
Limited supplies of the current member handbooks may be ordered before updated versions are available.
- **Materials Order Forms available on DHRM Web site**
 - Commonwealth of Virginia Materials Order Form (Anthem and Delta Dental)
 - Optima Health Materials Order Form
 - Materials Order Form for Medco
 - Materials Order Form for ValueOptions
 - Call Kaiser directly at (301) 816-6871 for materials

The Open Enrollment Process

- **Open Enrollment Elections Deadline**
 - **All Open Enrollment elections must be in BES no later than 6:00 pm on May 20.** This deadline is important because Plan administrators receive new enrollments, terminations, and changes in enrollment on May 21.
 - Missing the keying deadline may cause delays in your employee's access to their health benefits and FRA confirmations for July 1.
 - **Use Reason Code 56** for Open Enrollment transactions. Specific keying instructions are on Page 20 of the 2010 Systems Guide for Health Benefits:
<http://www.dhrm.virginia.gov/hbenefits/documentation/BESvolume1.pdf>
- **Turnaround Documents**
 - BES Turnaround Documents (PM4270) are in your HuRMan folder daily. They represent successful BES transactions created by PMIS, keyed by the agency, or submitted by EmployeeDirect.
 - Review and resolve any discrepancy immediately. Be sure to verify pay codes on FRA transactions.
 - Remember, turnaround documents and all supporting documentation are subject to audit by OHB. Keep good records.
- **Reports Posted to Your HuRMan Folder**
 - The "Open-Enrollment-Rpt" is posted during the month of May and identifies only the employees who have made election changes as of the date of the report.
 - The "Projected-Monthly-Enrollment-Rpt" is posted in early June and lists all employees and their projected elections for July 1.

- **FRA Enrollment and Open Enrollment Changes**
 - FRA confirmations are sent to employees before July 1 for transactions keyed by May 20. Advise your employees to check them carefully and report errors immediately.
 - The first paycheck after July 2 reflects Open Enrollment changes.

- **Think “Green” for Open Enrollment!**
 - **Go paperless with EmployeeDirect.** Encourage employees to opt for convenience and eliminate those environmentally-unfriendly paper enrollment forms.
 - EmployeeDirect automatically notifies you of Open Enrollment requests. It also provides direct links to Plan Administrators, Payline and the Virginia Retirement System.
 - Do users need help? They may click on “Frequently Asked Questions” and “Getting Started” for information about the login process.

- **EmployeeDirect Security**
 - Users who forget their Username, Password, or Answers to Challenge Questions need to know the following information from BES to complete their login: 7-digit Employee Number, Date of Birth, last four digits of Social Security Number, and E-mail address.
 - Users who cannot match their identification information are referred to you. You should update the information in BES and have them try EmployeeDirect again.

- **EmployeeDirect Pending Open Enrollment Records**
 - For the first time, EmployeeDirect will create a pending Open Enrollment record in BES when a request to add a dependent is submitted.
 - Proof that a dependent qualifies for coverage is required before you accept a pending record or key a transaction in BES that adds the dependent.

- **Handling EmployeeDirect Requests**
 - EmployeeDirect notifies you by e-mail when a participant has made an Open Enrollment request.
 - Most of these requests automatically create a suspense record in BES. A request to add a dependent, however, will create a pending record in BES that requires your approval.
 - **If the request to add a dependent includes an FRA election, both the health care election and the FRA election will be on the pending record.**
 - Use PSBPEN to review the pending record and ask the participant for proof that the dependent qualifies. When you have received the proof, use PSBPEN and key A to accept.

- **Handling Paper Form Requests**
 - Be sure the enrollment form is signed, includes the date received, and proof that a dependent being added qualifies for coverage.
 - Key changes to personal information first, then key changes to the health care election followed by the FRA election.
 - Do not delete an Open Enrollment suspense record if another Open Enrollment request is received; just re-key the Open Enrollment transaction.

When You Need Help

Contact the Office of Health Benefits (OHB) by e-mail or telephone with your questions and concerns. Be sure to include the ID number, name, and a brief description of the issue.

- Fax Request for Assistance Form: 804-371-0231
- E-mail: ohb@dhrm.virginia.gov
- Phone: 888-OHB-4414 (888-642-4414) or (804) 225-3642 in Richmond

Enclosures:

About Your Benefits
CHIPRA Notice
Eligibility and Enrollment Form for Employees
FAQs on COVA Connect
Flexible Benefits Sourcebook
FRA Worksheet
Health Benefits Systems Guide
Open Enrollment flyer
Materials Order Forms
Spotlight