



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#10-07

To: Benefits Administrators
From: State and Local Health Benefits Programs
CC: All OHB
Date: November 10, 2010
Re: Dependents Who Lose Eligibility at the End of 2010

Dependent children who are otherwise eligible for the State Health Benefits Program lose eligibility at the end of the year in which they turn age 23 (excluding dependent children of non-annuitant survivors, whom per the Code of Virginia lose coverage at age 25). Dependents that are ineligible due to age will be removed from coverage effective January 1, 2011, and the employee's or retiree group participant's membership will be reduced as appropriate. The system purge to remove dependents losing eligibility will run on Tuesday, January 4, and agencies will see the changes in turnaround reports placed in FTP folders on Wednesday, January 5.

Plans in the State Health Benefits Program will continue to allow children who are incapacitated to remain covered dependents as long as they remain incapacitated. The plans' provisions require that the following conditions must be met:

- the incapacitation existed prior to the loss of eligibility due to age,
- the dependent continues to meet the program's eligibility criteria which means that the dependent lives at home, is not married and receives more than one-half of his or her support from the employee and has remained continuously covered, and
- the plan administrator approves continued coverage.

It is the employee's or retiree's responsibility to contact the plan directly for the necessary paperwork to begin the request for continuation process for incapacitated dependents who are age 23 and losing coverage. Completed requests must be received by the plan prior to January 1, 2011.

Members enrolled in:

- **COVA Care, COVA HDHP or a plan that coordinates with Medicare** must contact Anthem at 1-800-552-2682.
- **COVA Connect** must contact Optima at 1-866-846-2682 or 1-757-687-6350 in Hampton Roads.
- **Kaiser Permanente** must contact the plan at 1-800-777-7902.

Agency Benefits Administrators are responsible for immediately notifying employees or retiree group enrollees whose children will lose eligibility on January 1. Enclosed are sample letters that you may use to notify affected participants. In the retiree group, letters should be sent to the original participant of a linked or surviving child. In addition, be sure to send an Extended Coverage Election Notice and Certificate of Coverage to the children losing eligibility.

A report showing the affected employees/retirees and dependents is available in your agency's FTP folder. The file is named PM9640-00nnn-10022010.txt (nnn= agency number). In addition, PM9640-nnn-10022010.csv is a file that will open directly into Microsoft Excel for anyone wanting a spreadsheet. You may contact the DHRM Help Desk for assistance accessing your agency's FTP folder. Please note that because the report was run on October 1, 2010, it does not include participants who were entered into the system after that date.

If the file is missing in your FTP folder, your agency has no dependents to be purged at year-end.

If timely application for continued coverage for an incapacitated dependent child is made and the approval is not received by December 31, the child will be removed from coverage. Upon approval for continuous coverage, the incapacitated dependent may be reinstated retroactively to January 1, 2011.

The provision in health reform legislation concerning coverage for dependents up to the age of 26 will take effect for state health plan members on July 1, 2011. According to the federal regulations that govern health reform, increasing the limiting age to 26 goes into effect the first day of the plan year following September 23, 2010. Thus, for the Health Benefits Plan for state employees and retiree group participants, the effective date is July 1, 2011.* Age 23 dependent children removed January 1, 2011 may be added back to coverage during the spring 2011 open enrollment period with an effective date of July 1, 2011. Information on this process will be sent to you. Medicare-eligible retirees will be provided with enrollment information in their annual rate notification materials that will be mailed starting November 8.

Enclosures

*(Medicare-eligible dependents up to age 26 in the retiree group will be reviewed separately.)