



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo #11-01

To: Benefits Administrators
From: State and Local Health Benefits Programs
CC: All OHB
Date: February 9, 2011
Re: Time Frames for Enrollment and Health Plan Changes

State Health Benefits Program policy in the past has required employees to submit a request to enroll for health benefits within 31 days of their employment, with coverage beginning the first of the month following enrollment. Additionally, employees had to add or drop dependents within 31 days of a qualifying mid-year event (QME) such as birth, marriage or divorce.

To provide more flexibility and better accommodate the needs of state employees, effective February 1, 2011, the Office of Health Benefits has revised the plan's time frames for submitting enrollment actions when employees are newly eligible or have a QME.

Important: There is no change to the initial enrollment window for new retirees (31 days from retirement date), survivors (60 days from the date of the employee's/retiree's death) or LTD participants (31 days from the loss of active coverage).

Newly Eligible Employees

Newly eligible employees (new hires) now have up to 30 calendar days to enroll in a health plan and/or flexible reimbursement accounts (FRA) offered by the state. The 30-day countdown period begins on the first day of employment and ends 30 days later. If the enrollment action is received within the 30 calendar day time frame, coverage will be effective the first of the month coinciding with or following the date of employment.

Example:

- Employee is hired on February 10 and agency receives the enrollment action on February 18. Coverage is effective March 1.

- Employee is hired on February 10 and agency receives the enrollment action on March 5. Coverage is effective on March 1.
- If employment begins on February 1 and the enrollment action is received within 30 days of the employment date, the coverage is effective February 1.

There is no discretion allowed in this area. Coverage will always be effective as described above. In no case will coverage begin before the eligible employee's first day of employment.

First Day Business Rule No Longer Applies

The former first business day rule will no longer have any bearing or relationship to the date coverage begins. If an employee starts work on the 2nd of the month because the 1st is a holiday, or weekend, and the agency receives the enrollment action within 30 calendar days of the hire date, then the employee's coverage goes into effect the first of the following month. If an agency wants an employee to have coverage immediately upon employment, the agency needs to make the employee's employment date the first of the month and ensure that the enrollment action is received within 30 calendar days of the employment date.

Example:

- Employee is hired on May 2 and agency receives the enrollment action within 30 calendar days. Coverage is effective June 1.
- Employee is hired on May 1 and agency receives the enrollment action within 30 calendar days. Coverage is effective May 1.

If the 30-day time frame is not met, the employee must wait until the next Open Enrollment or QME to enroll in coverage.

Qualifying Mid-year Events (QMEs)

Employees who experience a qualifying mid-year event (QME) have 60 calendar days to make a consistent election change. The 60-day countdown begins on the day of the event. Normally changes will be effective the first of the month following receipt of the enrollment action.

Example:

- Employee's spouse ends employment on February 11. The agency receives the employee's enrollment action on February 25 to add the spouse. The spouse is added to coverage on March 1.
- Employee's spouse ends employment on February 11. The agency receives the employee's enrollment action on April 4 to add the spouse. The spouse is added to coverage on May 1.
- Employee's spouse ends employment on June 30. The agency receives the employee's enrollment action on July 1 to add the spouse. The spouse is added to coverage on July 1.

Terminations Required by the Plan:

Employees can only provide coverage for family members who meet the health plan's eligibility definition. Terminations required by the plan would include events such as divorce, death of a dependent and when a child loses eligibility. In cases where there is a loss of dependent eligibility, the effective date of the change is based on the event date.

The employee still has 60 calendar days to submit the enrollment action to remove the ineligible dependent. However, the change is effective the end of the month in which the dependent lost eligibility. Once the dependent has been removed from coverage, the employee's membership may be reduced. If the membership is reduced, the agency needs to refund premiums paid by the employee for the higher membership following the dependent's loss of eligibility. If the employee does not make an enrollment action within the 60 day time frame, then the current membership level will be maintained and there will be no refund of premium.

Example:

- Employee's divorce is final on March 16. The agency receives the employee's enrollment action on April 15. The spouse's coverage ends March 31.
- Employee's divorce is final on March 16. The agency receives the employee's enrollment action on May 13. The spouse's coverage ends March 31.

Special Enrollments for Birth, Adoption or Placement for Adoption

An exception to prospective changes is health plan coverage for newborns, adopted children, and those children placed for adoption. In these events, health plan coverage will be retroactive to the date of birth, adoption or placement for adoption.

Example:

- An employee has a baby on February 22 and the agency receives the enrollment action to add the newborn to coverage on April 18. The change is effective February 1.
- An employee adopts a child and the adoption is finalized on September 16. The agency receives the employee's enrollment action to add the child to coverage on September 30. The change is effective September 1.

However, in some cases, employees may make the health plan coverage election on a prospective basis. If the employee can provide documentation of coverage for the month of birth, adoption or placement for adoption, then their coverage in the State's plan can be effective the first of the month following receipt of the enrollment action.

Example:

- An employee and his spouse have a baby on July 4. The spouse and newborn are covered by her health insurance for the month of July. The agency receives the employee's enrollment action and documentation of the other coverage on July 29. The change is effective August 1.
- An employee and his spouse have a baby on July 4. The spouse and newborn are covered by her health insurance for the month of July. The agency receives the employee's enrollment action and documentation of the other coverage on August 2. The change is effective September 1.

In all cases the employee has 60 calendar days from the date of the event to decide which option to choose (retroactive or prospective enrollment).

Flexible Reimbursement Account election changes will be prospective based on the receipt of the enrollment action.

Documentation Requirements

Documentation is required whenever a plan participant wants to add health coverage for a spouse or dependent. For example, if an employee adds a spouse to membership, a photocopy of the marriage certificate and the most recent tax return, if applicable, must be submitted to prove that the marriage occurred.

Likewise, if an employee wants to add a natural child to membership, a photocopy of the birth certificate showing the employee's name is required before the child may be added.

For a list of required documents, see the Eligibility Rules and Definitions chart on the DHRM Web site at www.dhrm.virginia.gov/hbenefits/eligibilityrules.pdf.

Contacts and Additional Information

Questions about this policy change should be addressed to the Office of Health Benefits by e-mail at ohb@dhrm.virginia.gov or by calling (804) 225-3642 in Richmond or toll free 1-888-642-4414 outside the Richmond area.

Updated information will be posted on the DHRM Web site soon under Health Benefits, For Employees, General Information, Enrolling and Making Changes.