



COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#11-02

To: Benefits Administrators
From: Mary P. Habel, Director
State and Local Health Benefits Programs
CC: All OHB
Date: March 31, 2011
Re: Open Enrollment for Health Benefits and Flexible Reimbursement Accounts

What's New

Open Enrollment for health benefits and flexible reimbursement accounts (FRAs) is April 15 – May 16, 2011. The following are changes for the plan year beginning July 1:

Premiums – See *Spotlight*, page 3.

- **Health program again absorbs part of health care costs.**
- **COVA Care, COVA Connect and COVA HDHP:**
 - No premium increase. Funding from reserves is the same for all plans.
- **Kaiser Permanente HMO**
 - Total premium increases due to higher average health plan costs.
 - In addition, employee premiums increase as a result of equal funding from reserves for all plans.

National Health Reform – See separate *national health care reform* insert.

- **Dependents** may be covered up to the **end of the year in which they turn 26.**
- **More preventive care services** covered by plan at 100 percent.
- **\$500 limit removed for chiropractic services** and replaced with 30-visit limit per plan year.
- **Appeals process** expecting minor changes.

- **Program receives claims reimbursement** from Early Retiree Reinsurance Program (ERRP). See “Notice About the Retiree Reinsurance Program.”

ID Cards and Member Handbooks - See *Spotlight*, page 1.

- **New ID cards issued if you change plans.**
- **New COVA Care and COVA Connect Member Handbooks** coming in mid-June.

Flexible Benefits Program – See *Spotlight*, page 7.

- Employees must enroll in an FRA every year. Current FRAs end June 30.
- File FRA claims and view statements online. Fringe Benefits Management Company sends e-mail notification of any account activity.

TRICARE Update - See *Spotlight*, page 1.

- Legislation passed by the General Assembly and signed by the Governor enables DHRM to make a voluntary TRICARE supplemental health coverage plan available on a pre-tax basis to state employees who are military retirees covered by TRICARE.
- RFP has been issued and a special enrollment will be held later this year.

COVA HDHP Refresher – See *Spotlight*, page 6.

- Reminder to employees to consider enrolling in this plan under certain circumstances.
- Must set up an individual Health Savings Account (HSA) to receive the most benefits.

Communications for Employees

- ***Open Enrollment Package***

- Available for you to send to employees with e-mail access the week of April 4.
- Will be mailed in a 9x12 envelope to employees at their home addresses beginning the week of April 4. Includes:
 - ***Spotlight on Benefits*** newsletter
 - ***Health Care Reform and You*** – brochure on health care reform-based changes
 - ***CHIPRA Notice*** - Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) annual notice required by the Department of Labor.
 - ***Electronic EOB Notice (COVA Connect only)***

- ***Employee Meetings – April 11 – 25, 2011***

- Benefits Administrator and employee meetings will be held at 10 locations around the state. See the link to the schedule.

- ***About Your Benefits*** program guide for all employees

- Available on the DHRM Web site in May for new hires and other employees during the year. Gives an overview of health benefits, including plan zip code areas, and ongoing benefits that add value such as maternity management, CommonHealth and disease management programs.

- **COVA HDHP Refresher Video** will be available **in May** on the DHRM Web site and the COVA Knowledge Center for use with employees during the year.
- **ID Cards and Member Handbooks**
 - No mass issue of plan ID cards.
 - New COVA Care Member Handbook available in mid-June for distribution to employees by Benefits Administrators.
 - New COVA Connect Member Handbook mailed to employee home addresses in mid-June.
 - Kaiser Permanente Evidence of Coverage mailed to employee home addresses in August.
- **DHRM Web site**
 - Open Enrollment information will be posted beginning Monday, April 11.
 - *Spotlight*
 - *National Health Care Reform and You* insert
 - EmployeeDirect
 - Flexible Benefits Program Sourcebook
 - Enrollment forms
 - Open Enrollment and meeting flyers
 - Open Enrollment Power Point
 - A separate Power Point presentation/video **for employees** will be available on the DHRM Web site.
 - A Power Point presentation **for Benefits Administrators** will be posted on the Benefits Administrator Resources Web page.

Open Enrollment Materials

New materials will be available for order beginning the week of April 11. Materials will be or have been shipped as indicated below.

- **Extra Spotlights and Health Reform Inserts**
A limited number may be ordered by writing in “Spotlight” and/or “Health Care Reform Insert” and the quantity using the State Materials Order Form.
- **Provider Directories**
COVA Care, COVA HDHP and COVA Connect provider directories are available to order or members may visit www.anthem.com/cova or www.optimahealth.com/COVA.

- **Flexible Benefits Sourcebook**
A supply was shipped the week of March 21 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 will be available soon and may be copied or downloaded from the DHRM Web site. Use the State Materials Order Form if you prefer.
- **FRA Election Form**
Have employees complete the Flexible Reimbursement Accounts section of the Enrollment Form for Active Employees.
- **Open Enrollment Flyers**
 - The attached flyers reminding employees of Open Enrollment meetings may be copied or downloaded from the DHRM Web site for posting in visible locations at your agency.
 - Note the separate Hampton Roads meeting flyer, which includes information on health screenings and completing the Personal Health Profile (PHP) on site.
- **Current Member Handbooks and *About Your Benefits* booklet**
Limited supplies of the current member handbooks and booklet 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 Transactions Deadline**
 - **All Open Enrollment elections must be approved in BES no later than 6:00 pm on May 19.** This deadline is important because Plan administrators receive new enrollments, terminations, and changes in enrollment on May 20.
 - **Missing the 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>
 - Remember, election requests and all supporting documentation **are subject to audit by OHB**. Keep good records.
 - **The first paycheck after July 1** reflects Open Enrollment changes.
- **Newly Eligible Employees and QME Elections During and After Open Enrollment**
 - Newly eligible employees during and after Open Enrollment have the option to make two plan elections for health benefits and flexible reimbursement accounts.
 - Employees with a benefits eligibility (BES) begin date of May 1 can make:
 - An election for coverage effective May 1, and/or
 - An election by the end of Open Enrollment for coverage effective July 1.
 - Employees with benefits eligibility (BES) begin date of June 1 can make:
 - An election for coverage effective June 1, and/or
 - An election, within the 30 day enrollment period, for coverage effective July 1. (This election may require OHB keying assistance.)
 - Current employees who experience a qualifying mid-year event (QME) during and/or after Open Enrollment ends may make consistent election changes for health benefits and flexible reimbursement accounts.
 - While the health plan elections are not necessary for continuation of health plan coverage, FRA elections are required for each plan year.
 - Be sure when a newly eligible employee or QME request includes an FRA election, the employee understands that accounts with a May or June effective date end on June 30.
- **Turnaround Documents**
 - BES Turnaround documents 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.
- **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.
- **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**
 - EmployeeDirect will again 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:

Spotlight
National Health Care Reform and You
Open Enrollment flyers
Benefits Administrator/Employee Meeting Schedule
Eligibility and Enrollment Form for Employees
Flexible Benefits Sourcebook
FRA Worksheet
Health Benefits Systems Guide
Materials Order Forms