Washington State Health Care Authority

ACA Status Codes, Surcharges, Wellness Incentive, Error Correction

PPA Meeting
PEBB Outreach and Training
February 2014

Agenda

- Affordable Care Act Status Codes
- Surcharge
- Wellness (SmartHealth)
- Error Correction Process

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Affordable Care Act

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Affordable Care Act Reporting

- ACA reporting requirement
  - ACA status codes were created to help HCA collect the required data to enable annual reporting to the IRS
  - ACA status codes are included on the eligibility worksheets
    - ACA status codes do not determine eligibility for PEBB benefits
  - Once determined, status codes will be entered into HRMS for every employee, regardless of eligibility for PEBB benefits

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Affordable Care Act Status Code

- New regulations for determining the ACA status code
  - On-call Hours –
    - An employer must credit an employee with an hour of service for any on-call hour for which payment is made or due by the employer, for which the employee is required to remain on the employer's premises, or
    - When remaining on-call prevents the employee from using the time effectively for the employee's own purposes

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Affordable Care Act Status Code

- Volunteer employees–
  - An employer can disregard hours of service for bona fide volunteers, whose only compensation is for
    - Reimbursement for reasonable expenses incurred in the performance of service volunteers, or
    - Reasonable benefits (including length of service awards), and nominal fees, customarily paid by similar entities in connection with the performance of services by volunteers

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Affordable Care Act Status Code

- Student employees–
  - An employer can disregard anticipated hours of service of student employment in positions subsidized through the federal work study program or a substantially similar program of state or local government.

    However, the employer must credit a student employee for hours of service in any other (non-work study) capacity

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Affordable Care Act Status Code

- Educational Organization Employment Break Period–
  - An educational organization employer cannot take into account the likelihood of an employment break period when determining its expectation of a new employee's future hours of service.

    An employment break is a period of at least four consecutive weeks during which an employee is not credited with hours of service.

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Affordable Care Act Status Code

- Step 3: Assign the status code that best describes the employee

Employee Type	ACA Status Code	Definition
Employee	Y1	Anticipated to work an average of at least 130 hours per month over the next 12 months
	N1	Anticipated to work an average of less than 130 hours per month over the next 12 months
Educational Organization Employee	Y2	Anticipated to work an average of at least 130 hours per month over the next 12 months
	N2	Anticipated to work an average of less than 130 hours per month over the next 12 months
Seasonal	Y3	Anticipated to work an average of at least 130 hours per month over the next 12 months
	N3	Anticipated to work an average of less than 130 hours per month over the next 12 months

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Affordable Care Act Resource

- Additional examples and instructions are available on the eligibility worksheet page of the PersPay website:
  - www.hca.wa.gov/perspay

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Surcharges

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Tobacco Surcharge

- $25 per account per month Tobacco Surcharge beginning July 1, 2014
  - Tobacco use – means any use of tobacco products within the last two months
    - This does not include tobacco use for religious or ceremonial purposes
  - Tobacco products – includes any products made with or derived from tobacco that is intended for human consumption, including any component, part or accessory of a tobacco product
    - Includes but is not limited to cigars, cigarettes, chewing tobacco, snuff and other tobacco products
    - This does not include FDA approved quit aids
    - This does not include e-cigarettes at this time (until the tobacco related status is determined by the FDA)

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Spousal Surcharge

- $50 per month Spousal Surcharge beginning July 1, 2014
  - If employee has an enrolled spouse or domestic partner who
    - Choose not to enroll in his or her employer's medical coverage that is comparable in premiums and benefits to UMP Classic
  - Tools will be available to compare plans
    - Five preliminary questions
    - Benefits calculator

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Spousal Surcharge

- Five preliminary questions:
  - Is my spouse or domestic partner eligible for medical coverage through their employer?
  - Does my spouse or domestic partner's employer offer at least one medical plan that serves our county of residence?
  - Has my spouse or domestic partner chosen not to enroll in their employer's medical coverage?
  - Is the coverage offered by my spouse or domestic partner's employer not through the PEBB Program?
  - Would my spouse or domestic partner's share of the medical premium be less than $84.56 per month?

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Spousal Surcharge

- Five preliminary questions:
  - A "no" answer to <u>any</u> of the questions, the employee will not pay the surcharge.
  - A "yes" to all of the questions, the employee will need:
    - The Summary of Benefits and Coverage for <u>all</u> medical plans where the spouse or domestic partner's premium is less than $84.56 to complete the Benefits Calculator

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Surcharges

- All enrolled employees will be asked to
  - Attest to the surcharges during the surcharge open enrollment period from April 1 through May 15
  - Employees who fail to attest will incur the
    - Tobacco surcharge
    - Spousal surcharge – if a spouse or domestic partner is enrolled on their account
- "What's Coming" letter to be mailed on 2/28
- "Take Action" letter to be mailed on 3/24

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SmartHealth

A Wellness Incentive Program

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SmartHealth

- The new Wellness Incentive Program called SmartHealth will offer an incentive to help employee's reach healthy goals
  - The amount of the incentive is pending state budget approval
- If the employee earns the incentive, the employee will receive
  - $125 discount off the PEBB medical deductible, if enrolled in one of the Classic or Value plans, or
  - An additional employer contribution of $125 deposited into the employee's HSA account, if enrolled in one of the CDHPs

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SmartHealth

- To earn the incentive for 2015, the employee must attest between April 1 and June 30, 2014 that they have:
  - Chosen a primary care provider
  - Completed their PEBB medical plan's health assessment (HA)
  - Started a wellness program activity (details to come)

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Error Correction

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Error Correction

- Changes to correcting enrollment errors
  - WAC 182-08-187
- Includes correcting errors when
  - The employee is not notified of eligibility
  - The employee is not accurately enrolled

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Error Correction - Enrollment

- Medical and dental –
  - Is limited to three months prior to the date enrollment is processed
- Basic life and basic LTD –
  - Is retroactive to the first day of the month following the day the employee became newly eligible, or
  - The first day of the month the employee regained eligibility
  - If the employee became newly eligible on the first working day of the month, basic life and basic LTD begins on that date

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Error Correction - Enrollment

- Supplemental life and optional LTD for newly eligible employees –
  - Is retroactive to the first day of the month following the day the employee became newly eligible if the employee elects to enroll, or
  - The first day of the month following the signature date on the form, if the employee elected the coverage and the coverage was not entered into the insurance system

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Error Correction - Enrollment

- Supplemental life and optional LTD for employees regaining eligibility –
  - If the employee self-paid, the employee is enrolled the first day of the month the employee regained eligibility, at the same level of coverage the employee continued while on leave
  - If the employee was not eligible to continue optional LTD, the coverage is reinstated the first day of the month the employee regained eligibility at the same level of coverage the employee had prior to leave
  - If the employee was eligible to continue coverage while on leave and chose not to, evidence of insurability and approval from the carrier is required to reinstate coverage

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Error Correction - Enrollment

- FSA and DCAP –
  - Enrollment is limited to three months prior to the date enrollment is processed, but not earlier than the current plan year
  - If an employee is not enrolled as elected, the employee may adjust their per paycheck election to correspond with their original election or maintain the same per paycheck election for a reduced annual amount

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Error Correction - Premiums

- The employing agency must remit the employer and the employee contribution from the date coverage begins
  - If the agency failed to notify the employee of eligibility, the agency may only collect the employee contribution for coverage for months following notification
- Supplemental Life and Optional LTD
  - If the employee is not correctly enrolled, premiums are corrected as follows:
    - The employee is responsible for the most recent 24 months
    - The agency is responsible for any additional months

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Error Correction - Recourse

- When retroactive enrollment is limited as described in the previous slides, recourse is available
  - The agency must work with the employee and PEBB to implement the retroactive enrollment. Recourse may include:
    - Retroactive enrollment
    - Reimbursement of claims paid
    - Reimbursement of amounts paid for medical and dental
    - Other recourse, upon approval of PEBB

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Error Correction - Recourse

- Recourse enables and requires employing agencies to provide the employee with an appropriate substitution for retroactive insurance coverage when an error occurred *(Policy 11-3)*
  - Decide which of the options best provides recourse for the employee's unique circumstance
  - Document the recourse solution and provide a copy to both the employee and PEBB
  - The written decision becomes effective 15 days after receipt by HCA, unless HCA determines the recourse plan is not acceptable
  - The employee may appeal the agency's decision through the PEBB appeal process
  - Recourse must not contradict federal law or statute and does not apply to requests for non-covered services or employees who are not eligible for benefits

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Error Correction

- Changes have been made in PAY1

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                    ***** A.41 - SUBSCRIBER DATA *****                MAPA411

 SOC SEC NBR:                                          NAME  :
 HOME AGENCY        :                  HOME SUB AGENCY  :
 TRANSFER REASON    :                  TRANSFER EFF DT  :
 HOME PHONE         :                  BUSINESS/MSG PH  :
 MAIL STOP          :                  COUNTY           :

 ELIGIBILITY CODE   :                  ELIG     EFF DATE:
 ELIGIBILITY REASON :
 QUALIFY  REASON    :                  COBRA/SELF END DT:
 PENDING ELIG CODE  :                  PENDING  EFF DATE:
 ORIG SOC SEC NUM   :                  ORIG AGENCY      :
 APPT STATUS        :                  AGY  EFF/END DATE:
 PAY METHOD         :                  MONTHLY SALARY   : 00000000
 MARITAL STATUS     :     (S = SINGLE; M = MARRIED/PARTNERSHIP)
 MARITAL STATUS DATE:                  DECEASED     DATE:
                                       RETIRED      DATE:
 SPOUSE/PARTNER DIV/DIS/DEC DATE:            TERM REASON:
                                                 60-DAY:
 BASIC LIFE/LTD DATE:              SUPP LIFE:           OPT LTD:
 NEXT FUNCTION: A 41 TYPE: I SSA: 000 00 0000  AGY:     SUB:      PAY ACTION:
 REQ CANCELLED    ENTER-NXT, PF1-HELP, PF2-RETURN, PF3-SYSTEM, PF9-HISTORY
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- Guidance for error correction will be available soon

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Thank You

- Questions

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