

DEI MEMO 23-02

To: ICs and HRGs

FROM: Department of Employee Insurance (DEI)

RE: Administration Manual 1st Quarter

DATE: March 21, 2023

KEHP's Administration Manual has been updated for 2023. This manual is the tool for understanding qualifying events and deadlines along with other policies related to administering benefits offered by the Department of Employee Insurance.

The specific updates included are listed and explained in the attached Admin Manual Changes Log.

Click [here](#) to see the new updated Administration Manual. Please know that you can contact the Enrollment Information Branch anytime for assistance at 888-581-8834, Option 4. If necessary, updates and/or revisions to the Administration Manual will be provided every quarter. We welcome your comments and suggestions to improve the document and request that you email Jessica.Hetrick@ky.gov for any suggestions you may have.

Administration Manual Changes March 2023

GENERAL CHANGES:

- Updated Hyperlinks throughout document
- *Represents amended or updated language*
- ~~Represents deleted language~~

CHAPTER 1 CHANGES

Page 1, Elected School Board Employees

Added verbiage related to KRS statute and eligibility

- B. Elected School Board Employees:** Participate on a post-tax basis; the elected official is not eligible for the employer contribution and is responsible for the total premium.

***NOTE:** Board members shall be eligible to participate in any group medical, FSA, dental or vision insurance plan provided to employees of the district pursuant to KRS 161.158. Participating board members shall pay the full cost of any premium required for their participation in the plan. Premiums are paid post-tax.*

NOTE: Board members are not eligible for waiver plans or life insurance.

CHAPTER 2 CHANGES:

Page 6, Newly-Hired Employees, Transfers, Rehires and Return-to-Work Retirees to a KEHP Participating Company

Added note regarding new hires transferring before coverage becomes effective

***NOTE:** When a new hire terms with one agency during the initial waiting period and transfers to another agency (clean or small break) before coverage is effective, all original benefit enrollments (Health/Dental/Vision/FSA/Life) elected as a new hire at the prior agency will be transferred with no changes allowed.*

CHAPTER 3 CHANGES:

Page 1, Cross-Reference Payment Option (Health Insurance Only)

Added note regarding tobacco rates and cross reference payment option

***NOTE:** Both employees must pay the tobacco user rate if either of the employees uses tobacco or if a dependent child over 18 uses tobacco while covered under the cross-reference payment option.*

Continued

CHAPTER 4 CHANGES:

Page 4, Section 4 Leaves of Absences

Added language to clarify working day

NOTE: *A Working Day, for purposes of this section, is any period of time, on any given day that an Employee is required by his/her employer to work. A Working Day also includes any day the Employee does not work, yet is eligible for paid leave such as compensatory, annual, and sick leave.*

Page 6, Section 4A. (7) Additional LWOP Information

Replaced language regarding Workers' Compensation and LWOP

- ~~Workers' Compensation – being on Workers' Compensation or being hurt on the job has no effect on LWOP or an Employee's Health Insurance coverage. However, if an Employee goes on extended LWOP the Employee loses eligibility for Health Insurance coverage.~~
- Workers' Compensation – being on Workers' Compensation or being hurt on the job has no effect on LWOP or an Employee's Health Insurance coverage unless FMLA and leave time have been exhausted, and the Employee is no longer drawing a paycheck. Once this occurs, an Employee goes on LWOP, and the Employee loses eligibility for Health Insurance coverage. The employee will then be offered COBRA.*

Page 6, Section 4B. Family and Medical Leave Act (FMLA)

Replaced language for clarification

~~NOTE: Being on Workers' Compensation or being hurt on the job has no effect on FMLA or Health Insurance.~~

NOTE: *Being on Workers' Compensation or being hurt on the job has no effect on LWOP or an Employee's Health Insurance coverage unless FMLA and leave time have been exhausted, and the Employee is no longer drawing a paycheck. Once this occurs, an Employee goes on LWOP, and the Employee loses eligibility for Health Insurance coverage. The employee will then be offered COBRA.*

CHAPTER 7 CHANGES:

Page 2A, Contribution Amounts, Healthcare FSA

Updated Carryover amounts and language

~~The maximum allowable yearly contribution is established annually per IRS. A minimum of \$50 and a maximum of \$550 of any unused amounts remaining at the end of the calendar year may be carried over for use in the next calendar year. Any amounts over \$550 at the end of the calendar year will be forfeited or lost.~~

The maximum allowable yearly contribution is established annually per IRS. A minimum of \$50 and the established annual maximum of any unused funds remaining at the end of the calendar year may be carried over for use in the next calendar year. Any amounts over the established annual maximum at the end of the Run-Out period will be forfeited or lost.

Note: The maximum carryover amount is subject to change as authorized by the IRS and adopted by the Plan.

Continued

Additionally, a Health FSA with a balance that is carried over for two consecutive Plan Years, including the Run-Out Period of the second year, will be terminated and the balance forfeited; provided there have been no new elections for the Health *care* FSA during those two Plan Years. These are referred to as stale accounts. This forfeiture will occur at the end of the Run-Out Period of the second Plan Year.

CHAPTER 8 CHANGES:

Page 1, Section 2. Exception Process for Open Enrollment Issues

Updated language to reflect current exception process for OE

~~Employees who fail to enroll during KEHP's Open Enrollment period, or who inadvertently enroll in the wrong Plan Option, may file an exception to the Exception Committee (address above). The effective date of Open Enrollment exceptions is January of the next plan year provided the exception and all required documentation for the exception are received in DEI by December 31st of the current plan year. Any Open Enrollment exceptions received after December 31 will be denied based on timeliness.~~

- *Members who do not log on during OE – automatically denied*
- *Members in a default plan for current year who do not log on and do not make an active election – automatically denied*
- *Hard deadline of December 31st of current year – All exceptions must be in house by December 31 of current year. Any received after the start of the new plan year will be automatically denied.*
- *Members who did log in, made a good effort to elect will be approved*
- *Members who enrolled but inadvertently left off a dependent will be approved*

CHAPTER 12 CHANGES:

Page 2, Section 3. Payment Information

Added language regarding online payment

Non-Commonwealth Paid (NCP) members can make online arrears payments for Health, Dental, Vision, and Life Insurances and Flexible Spending Accounts. Members will pay their own premium arrears quickly and conveniently online at:

<https://secure.kentucky.gov/formservices/Personnel/BenefitArrearsPayment>. The online arrears payment program is DEI's preferred method for member arrears payments.

APPENDIX I CHANGES:

CHANGE IN COVERAGE UNDER OTHER EMPLOYER PLAN/MARKETPLACE PLAN

Added clarification for Marketplace enrollment

3.) OPEN OR SPECIAL ENROLLMENT AT MARKETPLACE

OTHER CONDITIONS/GUIDANCE:

- Coverage through the Exchange must be effective no later than the day after the last day of Employer-provided coverage.
- *Marketplace Enrollment Event:*

Continued

(1) A Participant may revoke an elected Benefit Option if the Participant is eligible for a Special Enrollment Period to enroll in a Qualified Health Plan through a Marketplace or the Participant seeks to enroll in a Qualified Health Plan through a Marketplace during the Marketplace's annual open enrollment period; or

(2) A Participant may revoke an elected Benefit Option if the Participant's Spouse or Dependent is eligible to enroll in a Qualified Health Plan through a Marketplace during a Special Enrollment Period or the Marketplace's annual open enrollment period.

EVENT CAUSING EMPLOYEE'S DEPENDENT TO CEASE TO SATISFY ELIGIBILITY REQUIREMENT

Added documents required for Incarceration

1.) DEPENDENT CEASES TO SATISFY ELIGIBILITY REQUIREMENTS

ADMINISTRATIVE GUIDELINES:

Documents Required:

Incarceration: Notice of incarceration or conviction

JUDGMENTS, DECREES, OR ORDERS (NMSO)

Added guidance related to Temporary Custody Orders and documents required for adding dependents with a judge's order

OTHER CONDITIONS/GUIDANCE:

- Tag-Along rules apply.
- While the plan may have to comply with the order regardless of the child's Dependent status, the child must be the Employee's child up to the end of the month in which the child turns 26 or tax Dependent for health coverage purposes in order for the coverage to be paid for on a pre-tax basis.
- May be processed even if the 35-day deadline is not met.
- *Temporary Custody/Guardianship/De Facto Orders – No Enrollment Change Permitted unless the order requires a non-parent to provide health insurance coverage for the dependent.*
- *Note that financial responsibility for medical care is different than an order to provide health insurance.*

ADMINISTRATIVE GUIDELINES:

Documents Required:

Replaced language regarding Temporary Custody Orders

~~An Order placing financial responsibility on the Employee or requiring health insurance coverage including:~~

- ~~• De Facto Custody Order – An Order changing custody from parent to a non-parent.~~
- ~~• Guardianship/Limited Guardianship/Conservator~~
- ~~• Temporary Custody/Guardianship/De Facto Custody Orders~~

An Order placing financial responsibility on the Employee or requiring health insurance coverage including:

- *De Facto Custody Order – An Order changing custody from parent to a non-parent.*
- *Guardianship/Limited Guardianship/Conservator*

A Temporary Custody/Guardianship/De Facto Custody Order requiring a non-parent to provide health insurance coverage for the dependent