



IC MEMORANDUM 09-14

TO: Insurance Coordinators
FROM: Department of Employee Insurance
DATE: June 22, 2009
REF: 2009 Administration Manual

Commonwealth of Kentucky
Personnel Cabinet
Department of Employee Insurance
2nd Floor, State Office Building
501 High Street
Frankfort, Kentucky 40601

Web Site: <http://kehpc.ky.gov>

Please find below the link to the 2009 Administration Manual for the Kentucky Employees Health Plan. The Administration Manual has been designed to allow us to make updates throughout the year, as needed, and you will only have to replace the pages that are revised.

<http://personnel.ky.gov/NR/rdonlyres/DA86AD7C-9A66-4DED-8C3A-A834E62E9836/0/2009AdminManualFinal.doc>

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We have labeled changes within the Administration Manual as “New” to help you find procedural changes. However, highlights of key changes that were made to the manual, and changes made for the 2009 plan year are listed below:

- All dependent children will be terminated each year beginning with the year in which they turn 23. If the employee wishes to cover that child, he/she must re-enroll the dependent child during Open Enrollment until that child reaches age 25 or becomes ineligible.
- If during the Plan Year, a post-tax dependent is dropped from the plan due to ineligibility or a Qualifying Event, the plan will default back to pre-tax status as of the effective date the child is removed. The ineligible child **must** be offered COBRA.
- If a dependent child transitions from a dependent to a new employee, the parent **MUST** complete the Dependent Drop Form. DEI **will not** automatically change the level of coverage if removing the dependent changes the level of coverage.
- If an over age 65 retiree returns to work he/she may waive their Medicare Supplement through the retirement system and enroll in the KEHP and receive the employer contribution as an active employee.
- If your agency does not use encryption software and you need to communicate with the DEI, you **MUST** fax the information (using a cover sheet that identifies the information as Confidential Health Information). **DO NOT** send any PHI information via email if you do not have encryption. Using last name and last four digits of the SSN is no longer permitted.



- For Cross-Reference Payment options, if either employee loses employment for any reason, ending the Cross-Reference payment option, the remaining planholder will be defaulted to Parent Plus coverage.
- When two employees experience a Qualifying Event which will allow their plans to merge into one Cross-Reference payment option, one employee may change their plan option.
- An employee in a Cross-Reference payment option who terminates employment is eligible for COBRA coverage. ICs must enter these employees in Ceridian's WebQE.
- The Qualifying Event chart was removed from the Administration Manual. In its place, we have listed each Qualifying Event on its own page with all information regarding that Qualifying Event. This will prevent you from having to page through the manual to find out what form you need to submit, what supporting documentation you need, etc. This also allows you to be able to copy that page and give to an employee who has a question about a specific Qualifying Event.

Again, the above listing is not all inclusive. Information from the IC Spring Training and IC Memos distributed in 2009 were also incorporated into the Administration Manual.

Please discard any copies of the old Administration Manual and begin using the revised manual immediately.

As always, we appreciate your support in the administration of the Kentucky Employees Health Plan.

HEALTH PLAN