

# Administration Manual Changes

## April 2022

### GENERAL CHANGES:

- Added Loss of Coverage letter template after Appendix I
- Replaced any reference to Kentucky Retirement Systems (KRS) and replaced with Kentucky Public Pensions Authority (KPPA)
- Updated language throughout to reflect online submission through the DEI online upload tool
- *Represents amended or updated language*
- ~~Represents deleted language~~

### CHAPTER 1 CHANGES

#### Page 1, Retirees

Updated Retirement System names

**C. Retirees:** Under the age of 65, or 65 or older, and not eligible for Medicare, who draw a monthly retirement check from any of the following systems, are eligible to participate according to Plan guidelines:

- *Judicial Form Retirement System (JFRS) which includes*
  - *Judicial Retirement Plan (JRP)*
  - *Legislators Retirement Plan (LRP)*
- Kentucky Community and Technical College Retirement System (KCTCRS)
- Teachers' Retirement System (TRS)
- *Kentucky Public Pensions Authority (KPPA) which includes:*
  - *County Employees Retirement System (CERS)*
  - *Kentucky Employees Retirement System (KERS)*
  - *State Police Retirement System (SPRS)*

#### Page 11, Dual Employees

Removed Example

- ~~EXAMPLE: Member is currently employed with KCTCS and another school board, but will lose coverage with the school board mid-April. The Dual employee who lost coverage mid-month with one agency cannot pick up coverage as soon as the other coverage ended with the other agency. Coverage would be effective the first of the month following the signature date of the loss of coverage QE. EX lost coverage 4/15. Signed app 4/28, coverage with other agency would begin 5/1. Coverage shall not begin 4/16.~~

Replaced with Example

- *EXAMPLE: Member is currently employed with KCTCS and another school board but will lose coverage with the school board mid-April. The Dual employee who lost coverage mid-month with one agency can pick up coverage as soon as the other coverage ended with the other agency. EX lost coverage 4/15. Signed app 4/28, coverage with other agency would begin 4/16.*

**NOTE:** Dual Employees who experience a loss of eligibility or loss of coverage with of one of their agencies must complete an Employee Benefits Enrollment/Change Form. **Coverage with the existing agency shall begin immediately with no break in coverage provided the Employee Benefits Enrollment/Change form is signed within 35 days of loss of coverage from prior agency.**

## CHAPTER 2 CHANGES:

### Page 6, Section D, Return to Work Retirees

Added verbiage about effective date of coverages for RTW Retirees under 65

#### D. Return to Work Retirees

- ~~• Under age 65: The RTW Retiree will be treated similar to an Employee transferring to a new agency. The effective date will be the first day of the month following re-employment. See Chapter 1, Section 3 for eligibility information.~~
- *Under age 65: The RTW Retiree will be treated similar to a new employee except with a coverage effective date of the first day of the month following re-employment for health and FSA elections. This will require the new company to begin providing the employer contribution before the expiration of the typical new hire waiting period. Coverage effective date for any Optional coverage including Dental and Vision will be the first day of the second month following re-employment. Also, see Chapter 1, Section 3 for eligibility information related to RTW Retirees.*

## CHAPTER 5 CHANGES:

### Page 1, Automatic Loss of Coverage

Removed B. Termination of Coverage due to an Automatic Loss of Coverage

#### ~~B. Termination of Coverage due to an Automatic Loss of Coverage~~

~~If an incident triggers an Automatic Loss of Coverage, Health Insurance will be terminated as follows if the automatic loss of coverage is:~~

- ~~• between the 1<sup>st</sup> and the 15<sup>th</sup> of the month, coverage will terminate on the 15<sup>th</sup> of the month;~~
- ~~• between the 16<sup>th</sup> and the end of the month, coverage will terminate on the last day of the month.~~

**NOTE:** If the incident is discovered after-the-fact and coverage is retroactively terminated, any refunds (maximum of 90 days) of Employee contribution(s) should be made on an after-tax basis. KHRIS will automatically refund Commonwealth Paid Employees on a pre-tax basis.

Continue

## CHAPTER 7 CHANGES:

### Page 2, Contribution Amounts

Added Verbiage

#### A. Healthcare FSA

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.

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

*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 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.*

## APPENDIX I CHANGES:

### Page 5, CHANGE IN EMPLOYEE'S LEGAL MARITAL STATUS

#### 2.) LOSE SPOUSE DUE TO DIVORCE, LEGAL SEPARATION, ANNULMENT OR DEATH

**OTHER CONDITIONS/GUIDANCE:** Replaced language

- Tag-Along rules apply.
- ~~If divorced and premiums have been paid — the effective date of termination of coverage for the ineligible spouse is prospective from the signature date.~~
- ~~If divorced and premiums have not been paid — handle retrospectively back 120 days.~~
- ~~KRS Retirees experiencing divorce and signed within 35 days will have ineligible dependents removed the first of the month following date when divorce decree is final and entered into court.~~
- Tag-Along rules apply.
- *The effective date of termination of coverage for the ineligible spouse/dependent(s) is the end of the month of the signature date on the divorce decree but no more than 120 days retroactive from the signature date on the divorce decree.*
- *In lieu of an employer letter confirming loss of coverage, the following may also be used*
  - *Either executed divorce decree or signed divorce papers, AND*
  - *Either an old insurance card or explanation of benefits addressed to the person, AND*
  - *Either a signed QE Form or signed Exception Form, that includes a statement confirming a loss of prior coverage as a result of divorce.*

## Page 20, LOSS OF HEALTH COVERAGE

### 2.) LOSS OF ELIGIBILITY FOR INDIVIDUAL HEALTH COVERAGE (Marketplace)

#### OTHER CONDITIONS/GUIDANCE

- ~~Some employers may offer a few months of COBRA to terminated Employees as a part of a severance package. It is important to know that the end of employer-paid COBRA coverage is NOT a Qualifying Event to allow enrollment in KEHP, since the COBRA continuation coverage period has not been exhausted. Only expiration of COBRA is considered loss of other coverage.~~

### 3.) LOSS OF GROUP HEALTH COVERAGE

#### OTHER CONDITIONS/GUIDANCE

- *If, as an extension of employment benefits, an employer pays COBRA premium on behalf of a terminated employee for a period of time, the loss of COBRA coverage after the expiration of the extension of benefits qualifies as a loss of coverage.*

## Page 22, JUDGMENTS, DECREES, OR ORDERS (NMS~~NO~~)

### 1.) ORDER REQUIRING COVERAGE FOR CHILD UNDER EMPLOYEE'S PLAN – SIGNED BY A JUDGE

#### ADMINISTRATIVE GUIDELINES

EFFECTIVE DATE for Adding Dependent(s) due to NMSO (Employee's consent not needed)

- First day of the month following the date ~~of the administrative order or notice~~ *DEI receives the National Medical Support Order*

## Page 24, MEDICARE OR MEDICAID ENTITLEMENT

### 1.) EMPLOYEE, SPOUSE, OR DEPENDENT BECOMES ENTITLED TO MEDICARE OR MEDICAID

#### OTHER CONDITIONS/GUIDANCE

- *Employee must also show proof of dependent entitlement to Medicaid (listed on MET form) or proof of gaining employer sponsored coverage for Employee to drop coverage for dependent(s) and change to waiver no HRA.*

**ADDED APPENDIX K:**

[Employer Letterhead Here]

To: Department of Insurance, Kentucky Employees' Health Plan

From: \_\_\_\_\_

Date: \_\_\_\_\_

Subject: Confirmation of Loss of Coverage

This letter confirms that the following person, \_\_\_\_\_ (name), is a current or former employee of our organization whose health coverage ended on \_\_\_\_\_ (date of coverage termination) due to \_\_\_\_\_ (reason).

The following persons were covered as either (1) a spouse, or (2) a dependent under the plan:

\_\_\_\_\_ (name)                      \_\_\_\_\_ (name)

\_\_\_\_\_ (name)                      \_\_\_\_\_ (name)

\_\_\_\_\_ (name)                      \_\_\_\_\_ (name)

Should you have any questions, please call \_\_\_\_\_ (phone number), or email:

\_\_\_\_\_ (email).

Sincerely,

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name and Title