

**TRANSITION TO LODA HEALTH BENEFITS PLANS
-QUESTIONS AND ANSWERS FOR PARTICIPANTS AND EMPLOYERS-**

For LODA Participants:

| | |
|-----|--|
| Q1. | <p>I already have health plan coverage, and LODA is paying the premium cost. Do I have to enroll in the LODA Health Benefits Plans, or can I just keep my current plan?</p> <p><i>Effective July 1, 2017, the new LODA Health Benefits Plans will be available to provide premium-free coverage based on the provisions of the Line of Duty Act. All existing participants must complete the enrollment form provided with the transition booklets that were mailed on March 27. If you do not transition to the new LODA Health Benefits Plan, it may result in benefit interruption or loss of eligibility for the LODA health coverage benefit. Enrollment forms were due by April 14, 2017. Late forms will be processed as soon as possible. Transition enrollment forms received after August 31, 2017, will not be accepted.</i></p> |
| Q2. | <p>My local employer currently has insurance that covers the health plan cost for LODA beneficiaries. Will that change? Do I need to do anything?</p> <p><i>If your employer participates in the Line of Duty Death and Health Benefits Trust Fund, your premium will continue to be paid by the Virginia Retirement System. If you are entitled to reimbursement of your Medicare Part B premium, payment will be generated by DHRM.</i></p> <p><i>If your employer is non-participating in the Trust Fund and has insurance for LODA costs through a third party, your premium cost will be billed to your employer, not to the third party. However, no action is required on your part. Your employer should work with their insurance company to ensure payment of your premium. If you are entitled to reimbursement of your Medicare Part B premium, payment will be the responsibility of your employer.</i></p> |
| Q3. | <p>I don't know if my Workers' Compensation benefit was settled. How do I answer that question on the enrollment form?</p> <p><i>If you are a surviving spouse or surviving child, you may answer "No." If you are LODA-disabled and do not know if your case is settled, leave this answer blank.</i></p> |
| Q4. | <p>I am retired and eligible for Medicare. Since I have had health plan coverage through LODA, I have never enrolled in Medicare. Do I need to do anything?</p> <p><i>If you are eligible for Medicare and no longer actively working for a LODA employer (including Survivors), you must obtain Medicare Part B to be enrolled in the LODA PLAN – MEDICARE PRIMARY. Contact Social Security immediately to arrange for enrollment by calling 1-800-772-1213.</i></p> <p><i>If you are LODA-disabled, still actively working for a LODA employer, and you are eligible for health coverage through your active employment, you may postpone Medicare enrollment. The only exception is eligibility due to End Stage Renal Disease.</i></p> |

| | |
|-----|---|
| | <p><i>See Question #4 in your transition booklet for more information about the interaction between the LODA plans and Medicare.</i></p> |
| Q5. | <p>I will have other health plan coverage in addition to the LODA Health Benefits Plans. Can I use my VRS Health Insurance Credit toward the cost of the other (non-LODA) coverage?</p> <p><i>Section 9.1-401 of the Line of Duty Act states that if any disabled person or eligible spouse is receiving LODA Health Benefits Plans benefits and also qualifies for the VRS health insurance credit, the amount of the credit shall be deposited in the Line of Duty Death and Health Benefits Trust Fund or paid to the non-participating employer. It would not be paid toward the cost of additional coverage.</i></p> |
| Q6. | <p>Will my Workers' Compensation Award affect my LODA Health Benefits Plans coverage?</p> <p><i>If you received a lifetime medical award for your Workers' Compensation injury or illness, Workers' Compensation will pay claims related to the compensable injury or illness. Those services will be excluded from coverage under the LODA Health Benefits Plans. This applies even if your right to the award is waived or if a settlement is reached.</i></p> |
| Q7. | <p>I am currently enrolled in the State Retiree Health Benefits Program. Do I have to terminate my coverage to enroll in the LODA Health Benefits Plans?</p> <p><i>Effective July 1, 2017, your LODA benefit will not pay for any health plan coverage other than the LODA Health Benefits Plans. If you continue to be eligible for and maintain coverage in another plan, you will bear the cost for that plan.</i></p> |
| Q8. | <p>Can I enroll in other coverage in addition to the LODA Health Benefits Plans?</p> <p><i>Yes, there is no prohibition to having other coverage in addition to the LODA Plans; however, LODA will not pay any premium cost for other coverage. Eligibility for other coverage would be based on the criteria established by that plan. Coordination of benefits information will be provided in your Summary Plan Description. However, if you enrolled in LODA Plan – Medicare Primary, you may not enroll in another Medicare Part D plan and maintain the LODA Medicare Part D coverage. There are also limitations on enrolling in other Medicare supplemental or Medicare Advantage/Part C plans.</i></p> <p><i>Remember, if you are employed full time by a large employer, you must be offered affordable, minimum-essential coverage per the provisions of the Affordable Care Act (ACA). If you decline employer coverage in favor of the LODA plans, your LODA coverage will satisfy the ACA's individual mandate.</i></p> |
| Q9. | <p>I am currently enrolled in the State Retiree Health Benefits Program. If I terminate that coverage to enroll in the LODA Plans, do I lose my eligibility for the Retiree Program?</p> <p><i>If you leave the State Retiree Health Benefits Program to enroll in the LODA Plans and maintain continuous coverage in those plans, you may return to the State Retiree Health Benefits Program if you do so within 31 days of losing LODA coverage and if you are otherwise eligible.</i></p> |

| | |
|------|---|
| Q10. | <p>My adult child is eligible for and enrolled in the new LODA Plans. Can he or she receive plan information at a separate address?</p> <p><i>The eligibility system does not accommodate separate addresses for covered family members. However, private health information will be addressed to the participant, not the policyholder through whom eligibility is obtained, at the address of record.</i></p> |
| Q11. | <p>As a LODA participant, I have married and/or had additional children after my LODA disability began. Why can't I cover those family members?</p> <p><i>Eligibility criteria did not change with the amendments to LODA; the same eligibility criteria were reinforced and apply under the July 1, 2017, amended legislation, as noted in the transition booklet that was provided to all existing LODA health coverage recipients. No family members who were eligible for premium-free coverage will lose eligibility for LODA coverage effective July 1, 2017.</i></p> <p><i>The eligibility provisions that have been applied to the new LODA Health Benefits Plans are defined by law. The current (pre-July 1, 2017) provisions of the Line of Duty Act (LODA) in § 9.1-401.C of the Code of Virginia provide for continued coverage that is "the same plan of benefits which the deceased or disabled person was entitled to on the last day of his active duty or comparable benefits established as a result of a replacement plan." This means that only family members who were covered at the time of the LODA disability or death are entitled to this benefit.</i></p> |
| Q12. | <p>Why can't I just pay the premium difference, if any, to add my LODA-ineligible spouse to the new LODA Plans?</p> <p><i>An important distinction of the new LODA-specific plans is that they are self-insured. This means that the claims expense for all participants determines the premium cost paid by employers or the Line of Duty Death and Health Benefits Trust Fund. There is no provision for the LODA plans to bear the cost for ineligible family members. Payment of additional premium cost to cover ineligible family members does not mitigate the impact of their claims cost on all employers who have LODA participants or who contribute to the LODA Trust Fund. In fact, with unlimited liability for claims cost of LODA program participants, the potential for ineligible family members to affect the cost to the LODA health benefits program and employers is unknown but could be substantial.</i></p> <p><i>The new LODA Health Benefits Plans provide a single, more efficient and cost-effective program for LODA-eligible participants, as well as fair and consistent coverage. Until the introduction of this new program, LODA health coverage recipients have had many types of plans (e.g., employer plans, individual plans, Marketplace plans), and LODA paid the associated premium for those plans. Since only the premium was paid by LODA, and eligibility for those plans was not based on LODA, some family members who were not eligible for LODA were eligible to enroll in the current plan. However, any premium cost for those LODA-ineligible family members was borne by the family, not by LODA. In some cases, LODA-eligibles with existing family membership levels were able to add LODA-ineligible family members for no additional premium cost.</i></p> |

| | |
|------|---|
| Q13. | <p>Is there a deadline for enrollment in the LODA Health Benefits Plans?</p> <p><i>For LODA-eligible individuals transitioning to the new LODA Health Benefits Plans effective July 1, 2017, an enrollment form must be received by August 31, 2017, to have coverage under the new plans. Anyone newly eligible for LODA Health Benefits coverage after June 30, 2017, will have a 60-day enrollment window after approval of the claim by the Virginia Retirement System. Complete information will be provided in the Eligibility Section of the Summary Plan Descriptions.</i></p> |
| Q14. | <p>I am in the LODA Plan – Medicare Primary, but I do not want to have the prescription drug coverage through Express Scripts. Can I keep my current drug coverage and enroll only in the LODA Medicare supplement with dental and vision?</p> <p><i>LODA participants who are no longer covered based on current LODA employment (e.g., retirees, long-term disability participants, survivors) and who are eligible for Medicare should have Medicare as their primary coverage under the LODA health coverage benefit.</i></p> <p><i>The LODA Plan – Medicare Primary includes a Medicare supplement, routine dental and vision, and a Medicare Part D prescription drug plan. These benefits are not available separately. Unless coverage is declined, LODA Plan – Medicare primary participants will be enrolled for all benefits included under that plan. Since Medicare does not allow enrollment in more than one Medicare Part D plan, enrollment in a non-LODA Part D plan will result in termination of the LODA Part D coverage. If that happens, the LODA Plan – Medicare primary will be terminated in its entirety since the premium that is being paid for that plan is only available for the total benefit coverage.</i></p> <p><i>Please refer to your transition booklet for information about the LODA Plans’ interaction with Medicare.</i></p> |

For LODA Employers:

| | |
|-----|--|
| Q1. | <p>As a local employer, I would rather keep our locality’s Line of Duty participant in our own employer group health plan. Do I have to enroll our LODA participants in the new LODA Health Benefits Plans?</p> <p><i>Per § 9.1-401.A of the Code of Virginia (Effective July 1, 2017), employees, eligible spouses, and eligible dependents shall be afforded continued health insurance coverage as provided in this section, the cost of which shall be paid by the nonparticipating employer to the Department of Human Resource Management or from the Fund on behalf of a participating employer, as applicable. There is no provision for LODA coverage under alternative health plans.</i></p> |
| Q2. | <p>My locality does not participate in the Line of Duty Death and Health Benefits Trust fund but has insurance for LODA expenses through a third party. Do I have to do anything?</p> |

| | |
|-----|--|
| | <p><i>All existing LODA health coverage participants must enroll in the new LODA Health Benefits Plans to maintain their premium-free LODA coverage starting July 1, 2017. The locality through which participants gained eligibility for LODA premium-free coverage is responsible for paying their health plan premiums per the provisions of the Line of Duty Act. If the locality does not participate in the Line of Duty Health Benefits Trust Fund and has an insurance arrangement that covers the cost of LODA health plan coverage, the locality will receive the premium invoice and is responsible for ensuring that the premium payment is made by the due date. DHRM will not bill a third party for LODA Health Benefits Plans premiums.</i></p> <p><i>This does not apply to state agencies since they all participate in the Line of Duty Health Benefits Trust Fund.</i></p> |
| Q3. | <p>Do I have to offer health plan coverage to active employees or retirees who are enrolled in LODA?</p> <p><i>There is no provision in the LODA Health Benefits Plans to limit eligibility for other health plan coverage. However, LODA will no longer pay for the cost of other, non-LODA, health plan coverage, and we anticipate that most LODA-eligible individuals will choose the LODA premium-free coverage. In limited situations where an individual exercises the right to have both LODA and other coverage, DHRM will coordinate the benefit.</i></p> <p><i>In general, applicable large employers (ALEs), as defined by the ACA, must comply with the employer mandate to offer affordable, minimum essential coverage to full-time employees, even if they will decline the coverage (e.g., in favor of the LODA plans). However, DHRM is unable to provide legal advice regarding this matter and would direct you to your financial or legal advisors if you have any questions regarding your plan's compliance with the ACA.</i></p> |