



COMMONWEALTH OF VIRGINIA HEALTH BENEFITS

COMMONWEALTH OF VIRGINIA DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

Benefits Administrator Memo

#23-01

To: Benefits Administrators
From: State and Local Health Benefits Programs
CC: All OHB
Date: January 31, 2023
Re: Updates to OHB Policy

Qualifying Life Events (QME):

1. The election changes for health care coverage and flexible spending accounts (FSAs) due to an IRS approved qualifying event must be “on the account of and consistent with the event” for the request to be approved. The rules for the qualifying life events in Cardinal are set up according to the Office of Health Benefits (OHB) rules that were also in the benefits eligibility system (BES) prior to the transition.

While the consistency for membership changes is easily verified, the employee has to provide a statement or documentation showing the consistency of the plan change for the specific event. These plan change requests with the documentation should be submitted to OHB for review.

2. Under the federal guidelines, HIPAA Special Enrollment events will allow employees to make any healthcare election change, without the “consistency” requirement that would normally apply to other events. The following qualify as HIPAA special enrollment events:
 - Loss of eligibility for group health coverage or individual health insurance coverage,
 - Loss of Medicaid/CHIP eligibility,
 - Becoming eligible for a state premium assistance subsidy under Medicaid/CHIP, and
 - Gaining a new dependent by marriage, birth, adoption, or placement for adoption.

If the employee experiences one of the above events and wishes to enroll from a waived status or make a plan change, the request can be processed in Cardinal using the “HIP” event.

Note: Since the election change request for birth, adoption and placement for adoption are retroactive, the plan change request should be forwarded to OHB for the system update.

3. HIPAA Special Enrollment **does not** allow the employee to enroll or make changes to an FSA. If the employee has one of the above HIPAA Special Enrollment events that would allow them to enroll or make an FSA change, the request should be processed using the appropriate qualifying life event. For example, if the employee gains a dependent through marriage, they are allowed to make a consistent election change to enroll or change their FSA election, but it would be processed under a Marriage (Mar) event.

Extended Coverage/COBRA:

4. The Extended Coverage/COBRA Election notices are handled by OHB. The agency is still responsible for issuing the Extended Coverage/COBRA general notice when an employee enrolls in health care coverage and/or a health care FSA) or adds an eligible spouse due to their initial enrollment, Open Enrollment, or a qualifying life event.
5. As required by the regulations, an Extended Coverage/COBRA notice is generated when an active employee, enrolled in health care coverage, retires or transitions to LTD. Please be sure your employees are aware that they will receive this notification and if they have enrolled in State Retiree/LTD Health Benefits, no action is needed related to the Extended Coverage/COBRA election notice.
6. The Extended Coverage/COBRA election notices are generated on the 1st and 15th of the month following the loss of eligibility for coverage or the Cardinal system update, whichever is later. If a former employee needs documentation of the loss of coverage prior to the issuance of the Extended Coverage/COBRA notice, the agency should provide the member with a Certificate of Creditable Coverage for their use. The [Certificate of Group Health Plan Coverage](#) is available on the DHRM web site for the agency's use.

Cardinal HCM System Updates:

7. With the transition of all agencies into Cardinal, OHB no longer enters the health care enrollment for VRS retirees and LTD participants. Once the system is updated with the retirement information, the retiree/LTD participant can enter their election through Employee Self-Service or the enrollment information can be submitted to VRS. Please review the job aides and forums available on the Cardinal web site for assistance and/or guidance on the VRS retiree/LTD enrollment process.

8. When an employee transfers between agencies, the former agency will process the transfer out which will terminate the health and/or FSA benefits under their agency and the new agency must re-establish the coverage information for their agency. The agency Benefits Administrators should coordinate to confirm the employee's plan, membership, dependent data, flexible spending election(s), and premium reward status.

Submission of Dependent Eligibility Documentation:

9. In Cardinal, newly added dependents remain in an Unapproved Dependent status until the documentation is received by the agency. This means that the dependent(s) will not have access to health care coverage with the health plan until they are updated to an Approved Dependent status. Allow 60 days from the submission of the election change request to receive the eligibility documentation to approve the dependent. Note: *This is an update to our eligibility policy to provide guidance regarding the timeframe for the submission of the documentation.*

If the documentation is received, the agency should reopen the event to change the dependent to Approved. Making the change directly to the Update Dependent/Beneficiary screen will not go over on the nightly file to the vendor and enrollment of the dependent may be delayed. Please see page 15 of the [Benefits Quick Reference Guide Job Aid](#) for instructions to approve dependents.

If documentation is not received within 60 days, the agency should reopen the event where the dependent was added and update the health benefits enrollment to remove the unapproved dependent from coverage. Steps to reopen an event are found in the BN361 Benefits Quick Reference Guide, pages 11 – 14.

If documentation is provided at a later time, the agency should submit a request for assistance to OHB. The request should include the reason for the enrollment (initial enrollment, open enrollment or QME), the event date (for QME), the date the initial request was submitted or received and a statement from the employee explaining the delay in submitting the required documentation.