

VACE / BCBSVT HealthCare Plan

Administration of VACE / BCBSVT Groups

Eligible Employees:

- New Hires
- Rehires
- Employees becoming full time
- Retirees

Employees becoming eligible must first complete the respective probationary period (see section on probation period).

Enrollment forms must be received by VACE by the 5th working day of the month for which it is to be effective. Employee health cards will take approximately 3 weeks and will be mailed to the employee's home.

Employees age 65 or older: (eligible for medicare)

If your group has fewer than 20 employees medicare will become the primary insurance. (Employees should choose to have both Part A & B of medicare. Whether they purchase Part B or not BCBSVT will process claims as if the employee does have Part B.) If you don't choose to have Part A & B of medicare it could significantly impact reimbursement for claims.

If your group has more than 20 employees BCBSVT will be the primary insurance. (Employees may wish to still have Part A & B of medicare and should contact the Social Security Administration)

Eligible Dependents:

Dependents eligible include:

- Employee's legal spouse, including civil unions
- Domestic Partners (documentation required)
- Employee's children less than 26 years old

Please note: The term "children" includes children born to the employee, legally adopted by the employee and stepchildren (stepchildren must be living with employee or for whom spouse legally needs to provide insurance).

- Handicapped children that are:

- unmarried
- mentally and/or physically incapable of supporting himself/herself

If you have a child that is handicapped you must contact VACE to get the proof of incapacity form that will need to be filled out by the child's physician.

Employees cannot pick and choose dependents; if they choose to cover one eligible dependent they must cover all.

If employees choose not to cover dependents when the employee elects coverage, they will not be allowed to enroll until the next open enrollment period, unless there is a qualifying event.

Policy Changes: (Qualifying Events)

Under certain circumstances an employee may choose to change their policy. The following are qualifying events:

- Marriage
- Birth of child
- Spouse loses his/her job, and loses coverage

We must be notified within 30 days of any of the events stated above in order for the employer to add anyone to the employee's policy. If we are not notified within 30 days of the event employees will be unable to have the policy change done until the next open enrollment period.

Enrollment/Change forms must be received by VACE by the 5th working day of the month for which it is to be effective.

COBRA & VIPER (continuing insurance coverage for terminated employees):

COBRA (Federal law): Employers with 20 or more employees, 18 months of continuation of insurance coverage.

VIPER (Vermont law): Employers with 19 or fewer employees, 18 months continuation of insurance coverage.

When an employee is terminated the employer is required by law to offer COBRA or VIPER. It is the employer's responsibility to administer COBRA or VIPER for their business. The employer should terminate coverage for the terminated employee effective the last day of the month of termination of employment. The employee has 60 days for both COBRA and VIPER to decide if they want to continue coverage and can be reinstated back to the original termination date so that there is no loss in coverage. The employer must inform VACE if an employee elects to continue under COBRA or VIPER. The employer will be billed by VACE for the employee who must pay the employer. VACE is to receive payment for the former employee and current employees by the employer, by the due date. VACE will not accept payment from employees. If you have specific questions on the laws of COBRA and VIPER please contact your legal advisor.

Open Enrollment/Anniversary:

The open enrollment and anniversary for VACE is the month of December for a January 1st effective date, however, changes will be accepted until January 31st for a February 1st effective date. The following plan options may be changed or occur during this time period:

- Changes to employer's plan deductible,
- Changes to employer's employee probation period,
- Open enrollment for employees who previously declined coverage, and
- Upgrade of employee coverage to add dependents who previously declined coverage.

Probationary Period:

Each employer selects a probationary period of their choice for new hires and rehires (the probationary periods may be different). The first of the month following the completion of the probationary period, the employee is eligible for the insurance plan. Employees becoming eligible for insurance due to a change from part time to full time status must wait the same probation period as a new hire.

An employee has 30 days from completion of the probationary period (or date of hire if 0 day probation period) to submit an application to enroll. If an application is not submitted within 30 days, the employee must wait until the next open enrollment period to enroll (see above).

Billing and Payment:

Employers will receive a monthly bill form VACE including a current month's bill and a bill for any changes or adjustments for prior periods.

Bills are payable by the 15th of the month prior to the month of coverage. Employers should pay the month's bill and any changes or adjustments included with the bill. EMPLOYERS SHOULD NOT ADJUST PAYMENT WITHOUT PRIOR APPROVAL BY VACE. Employers should put their VACE ID and the month of coverage on their check.

There will be a \$20.00 fee charged for returned checks.

Administrative Materials:

Each group will receive administrative materials (please copy as needed) for VACE or BCBSVT including the following:

Employer:

- Enrollment/Change Forms
- Medical Claim Forms
- Prescription Drug Claim Forms
- Mail Order Prescription Drug Kits
- "Your Benefit Plan" booklet
- Provider Listing (Physicians and Pharmacies)
- VACE/BCBSVT Contact Sheet

Employees:

- BCBSVT HealthCare and Pharmacy / VACE ID Card

Other:

Any group that drops the VACE Health Plan will not be eligible to return to the plan for 18 months.

VACE will audit yearly to verify employer/employee status.