

November 16, 2010

Department of Personnel
& Administration

Human Resources



Benefits Communiqué

**From the Employee Benefits Team – Division of Human Resources, DPA
For the State’s Benefits, Payroll and HR Personnel**

Making Changes Due to Spouse’s Open Enrollment

Many spouses of state employees work for employers with a benefits plan year that runs from January to December. The open enrollment periods for such plans have started and will continue through November and even into December. With such calendar-year plans, changes will be effective on January 1. Because the State uses a fiscal year, July to June plan year, making decisions regarding a spouse’s open enrollment can be concerning and confusing for employees and administrators alike.

REMEMBER – A spouse’s open enrollment is a qualified event allowing state employee to make changes to state medical and dental benefits. Such changes must be entered into the online Benefits Administration System (BAS) and must be consistent with the enrollment or change made during the spouse’s employer’s open enrollment.

Consistency is key. Those employees with spouses who are dropping their employers’ plans can *join* the state’s plans, and those employees with spouses who are enrolling in their employers’ plans can *drop* the state’s plans. For example, if an employee’s spouse just enrolled the family in the other employer’s plan, the state employee would drop the state’s coverage, not add to or change state plans.

What’s the process for the employee?

Spouse losing coverage through other employer

If the employee’s spouse is dropping the other employer’s coverage, then the state employee would use the reason “**Spouse Loses Benefits**” in the BAS to enroll in state coverage.

- After logging in (username and password), and clicking the green “Start Here” button, the employee will come to the “Reason for Change” screen.
- The employee should type “spouse” in the search box.

- The employee should click on “Spouse Loses Benefits” in the gray “Life Event” box.

Reason for Change

spouse

Spouse Loses Benefits
Spouse Gains Benefits

Select the reason for change that applies and enter the

BASIC INFO

Examples:
Change of Address

Cancel Optional Life and/or LTD

LIFE EVENT

Examples:
Marriage/D divorce
Retirement

Spouse Loses Benefits

Spouse Gains Benefits

Newly Eligible SGDP

Foster child / legal custody

A screen within the screen will appear.

- The employee should enter the last date of coverage. In this example, that will be **12/31/2010**, as that is the date the spouse’s coverage will expire. Click “continue.”

Change

Spouse Loses Benefits

Reminder: Any resulting effective dates or termination dates will be based on the date of submission

What was the last date of coverage?

⚠ Any add or change in coverage will be effective on: 1/01/2011

⚠ Any coverage dropped or no longer continued will be terminated on: 12/31/2010

- From this point, the employee should make the appropriate changes to their state employee benefits.

So long as this is done prior to the end of December, the new coverage with the State will become effective January 1, 2011. An employee still has 31 days from the event date to enter such a change, so the change could be entered in January (the 31-day window would close on January 30), **but in this case the spouse will have a lapse in coverage**, as the new state coverage will be effective February 1. Changes must be prospective, and thus effective the first of the month following the date of entry into the BAS or the date of event, whichever is later.

Spouse gaining coverage through other employer

If the employee’s spouse is enrolling in the other employer’s coverage, then the state employee would use the reason “**Spouse Gains Benefits**” in the BAS to enroll in state coverage.

- After logging in (username and password), and clicking the green “Start Here” button, the employee will come to the “Reason for Change” screen.
- The employee should type “spouse” in the search box.

- The employee should click on “Spouse Gains Benefits” in the gray “Life Event” box.

Reason for Change

spouse

Spouse Loses Benefits
Spouse Gains Benefits

Select the reason for change that applies and enter the

BASIC INFO

Examples:
Change of Address

Cancel Optional Life and/or LTD

LIFE EVENT

Examples:
Marriage/D divorce
Birth/Adoption

Spouse Loses Benefits

Spouse Gains Benefits

Newly Eligible SGDP

Foster child / legal custody

A screen within the screen will appear.

- The employee should enter the date the new coverage is effective. In this example, that will be **01/01/2011** as that is the date the spouse’s new coverage will be effective. Click “continue.”

Spouse Gains Benefits

Reminder: Any resulting effective dates or termination dates will be based on the date of submission

What date is the new coverage available?

01/01/2011

⚠ Any add or change in coverage will be effective on: 1/01/2011
⚠ Any coverage dropped or no longer continued will be terminated on: 12/31/2010

Cancel
Continue

- From this point, the employee should make the appropriate changes to their state employee benefits.

So long as this is done prior to the end of December, the state’s coverage will terminate December 31, 2010. An employee still has 31 days from the event date to enter such a change, so it still could be entered into the system in January (the 31-day window would close on January 31), **but the spouse will have double-coverage** as the State’s coverage would then terminate on January 31, 2011. Changes must be prospective, and thus effective the first of the month following the date of entry into the BAS or the date of event, whichever is later.

Documentation

As with all mid-year changes, this will require documentation from the employee for you, as the administrator, to approve the change. But what documentation? Open enrollment at another employer should be fairly easy for the employee to document. Here are some items that could be used for documentation.

- Printed confirmation of open enrollment.

- Copy of enrollment form.
- Letter from spouse's employer.
- New insurance card that includes effective date of coverage.*
- Notification of cancelled coverage* (also called certificate of creditable coverage)

** While these last two items are official documents, they often do not come until well after the event. As the employee can enter the change in advance of the event, prior to the beginning of new coverage or the termination of coverage, you must be prepared to review and accept other forms of documentation of open enrollment changes. We ask that you use common sense and be reasonable, asking yourself if accepting or denying documentation could be defended should a dispute or audit arise.*

Effective dates and making changes in advance

While the window to enter such changes closes 31 days after the new coverage is effective or the old coverage is terminated, employees must understand that if they enter their change into the BAS *after* the event date, the change will result in either a lapse of coverage or duplicate coverage for a period of time. So, using the example of spouse with a calendar-year plan, ***when the change is entered in January, the changes for state benefits will not be effective until February 1.*** Why? Because, in accordance with federal regulations, such changes must be prospective (meaning they must take effect in the future) and the change is effective the following month *after* the event date *OR* the date the change is entered into the BAS, whichever is later.

Since a spouse's open enrollment will likely conclude several weeks before the plan year begins, employees should not wait to enter their changes in the BAS. Such changes can be entered up to 90 days in advance of the event date. Employees making changes because of a spouse's calendar-year plan and open enrollment should try to make their changes in December to avoid problems in January.

Benefit Administrators: Review your "Pending Changes" report in the BAS at least once a week.

This allows you to stay up-to-date on the changes your employees have made, and lets you know that these employees need to provide you with documentation for these changes. This will reduce the number of lingering pending changes, especially those that will roll into the next month.

Please let us know any questions or comments you have about this Communiqué or anything else regarding Employee Benefits. Send them to benefits@state.co.us.

The Employee Benefits Unit, DHR, DPA