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# Open Enrollment Oct. 1-31, 2009

*Update on PEBB OARs*

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PEBB's Oregon Administrative Rules -- OARs -- help agencies on requirements related to eligibility and enrollment. They are available from PEBB's Web site. Refer to them when you have a question. If the rule doesn't clarify the situation, please contact a PEBB analyst.

## Updates to PEBB OARs

Effective Oct.1, 2009

The following PEBB OAR updates go into effect October 1. One rule is new. Amendments to three rules make substantial changes for clarification. Other amendments make minor clarifications.

## **OAR 101-010-0005 Definitions**

- Clarifies and adds
- Removes “dependent child” (moved to Division 15 – Eligibility)
- Clarifies “half time” for OUS & OJD

OAR 101-010-0005 is amended to clarify and add certain definitions. It removes the definition of dependent child from this rule, which moves to its own rule in Division 15, Eligibility. It clarifies the definition of half time for the Oregon University System and for the Oregon Judicial Department.

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## OAR 101-015-0011 Dependent Child

- New rule
  - Improves clarity & adds
    - “Child by Affidavit”
    - Definition to “full time student”
    - Medically necessary LOA (Michelle’s Law)
    - Annual certification for ages 19 to 24
    - Removal of dependents who age off
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OAR 101-015-0011 is a new rule that improves clarity to requirements for PEBB coverage of dependent children. It moves the requirements on “child by affidavit” to this rule from a previous rule that is now repealed. In general, this rule defines dependent children, full-time student, medically necessary leave of absence, annual certification for dependents age 19 to 24, and removal of coverage for dependents when they lose eligibility because of their age.

## OAR 101-015-0011 Dependent Child

- Michelle's Law
  - Full-time student status (ages 19 to 24)
  - Coverage on medically necessary absence
  - Requires physician statement
  - Time frame

Parts of the new dependent child rule relate to Michelle's law, which goes into effect January 1, 2010, and apply to eligibility of dependents age 19 to 24. In general, it provides for continuation of coverage for full time students on medically necessary leave of absence from a post-secondary educational institution. The rule gives the meaning of "medically necessary leave of absence," requirements for a physician's statement, and time frames for extension of coverage. The physician's statement does not require provision of protected health information. Employees must send their request to PEBB, not the agency, on coverage for a student on medically necessary leave of absence.

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## **OAR 101-020-0015 Medical Opt Out**

- Adds requirement on verification of “other medical insurance”
  - Must provide within five days of enrollment
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OAR 101-020-0015 requires that employees who enroll to opt out of coverage in a PEBB medical plan must provide the agency proof of other employer sponsored group medical coverage. They must do so within five days of their enrollment to opt out. If they do not, they will be enrolled in coverage in PEBB's Statewide Plan and their opt-out enrollment will end.

## OAR 101-020-0060 Dependent Care FSA

- Improves clarity & adds requirements
  - Minimum contribution amount
  - Reimbursement after eligibility
  - Coverage period, active participation, reimbursement
  - Final contribution

OAR 101-020-0060 is amended to improve clarity of requirements on dependent care flexible spending arrangements. In general, the amended rule: adds language on the minimum monthly contribution amount; explains coverage period, active participation and reimbursement; and clarifies final contribution when an employee separates from service.

## OAR 101-020-0065 Healthcare FSA

- Improves clarity & adds requirements
  - Minimum contribution amount
  - Qualified Reservist Distribution
  - Prepayments prior to protected leave
  - Coverage period, active participation, reimbursement
  - Final contribution

OAR 101-020-0065 is amended to improve clarity of requirements on healthcare flexible spending arrangements. In general, the amended rule: adds language on the minimum monthly contribution amount, qualified reservist distribution and prepayments related to protected leave; explains coverage period, active participation and reimbursement; and clarifies final contribution when an employee separates from service.

## FSA Clarifications

- Period of coverage is plan year
  - For employees who terminate participation: portion of plan year with active participation before end date
- Reimbursement only for period with active participation (file claimed in plan year)
  - Dependent care FSA exception: reimbursement for claims in following month IF month is in plan year, AND employee files within 90 days

The amended rules on FSAs clarify that the FSA period of coverage is the plan year. The exception is for employees who terminate participation, in which case it means the portion of the plan year before the active participation end date. Active participation in an FSA ends the last day of the month in which a contribution is received for that month. Reimbursement of eligible FSA expenses may occur only for the period of coverage in which the participation was active, provided the claim is filed within the eligible plan year. The exception to claim reimbursement is Dependent Care. Reimbursement for eligible claims for the month following termination of employment, or the employee otherwise ceases to be eligible, is allowed if the following is true: The month is in the current plan year (this does not include the grace period) and the employee files a claim within 90 days after the date the employees' employment terminates or they otherwise cease to be eligible.

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## **FSA Clarifications**

### ***New This Year***

Academic year (9 & 10 month) employees must indicate, at enrollment, which months they will not receive a paycheck

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New this year, employees who work a 9 or 10 month academic year must indicate which months they will not receive a paycheck. This applies whether they enroll online or using a form.

## Additional OARs Effective Oct. 1, 2009

- 101-001-0020 Social Security Number  
*Repealed. PEBB does not receive or hold SSN.*
- 101-015-0015 Child by Affidavit  
*Repealed. Incorporated in Dependent Child rule.*
- 101-20-0005 Newly Hired, Newly Eligible  
*Amended to clarify requirements*
- 101-020-0037 Correcting Enrollment, Processing Errors  
*Amended to clarify requirements*
- 101-020-0040 Late Enrollment  
*Amended to clarify requirements and available benefits*
- 101-020-0045 Returning to Work  
*Amended for clarity*
- 101-030-0022 Continuation of Coverage on Active Military Duty  
*Amended for readability*

Two PEBB rules are repealed: The rule on Social Security numbers, because PEBB does not receive or hold these numbers; and the rule on Child by Affidavit, which is incorporated in the new Dependent Child rule. Rules on the following are amended for clarity or readability: Newly hired and newly eligible employees; correcting Open Enrollment and processing errors; late enrollment; returning to work; and continuation of insurance coverage while on active military duty leave.