

Employer Guide



Family Health Insurance Assistance Program



**Helping working
Oregonians pay
for private
health insurance**



FHIAP
Family Health Insurance Assistance Program

Toll-free in Oregon

1-888-564-9669

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Toll-free in Oregon: 1-888-564-9669
In Salem: (503) 373-1692

9 a.m. to 5 p.m.
Monday-Friday

This booklet is a general guide to FHIAP. Updated information, rules, income guidelines and the status of program openings may be found on the Web site.

www.fhiap.oregon.gov

Se habla español

*This booklet will explain
FHIAP. We hope that after
you read this, you will share
FHIAP with your employees.
We'll tell you how!*

“It’s just nice to see the reactions of my employees when they come back and say they’re able to cover their entire family with a FHIAP subsidy.”

***Lisa Buccello,
Partnerships in Community Living***

What is FHIAP?

The Family Health Insurance Assistance Program (FHIAP) helps uninsured Oregonians by paying up to 95 percent of the **employee's** share of the monthly premium for private health insurance. FHIAP approval is good for 12 months, and members may reapply.

- If you don't pay all the premium for employees and dependents, a FHIAP subsidy may be used to add the **uninsured** employee or any **uninsured** family members to your medical-dental-vision plan at work. This assumes that your medical plan meets a minimum benefit level known as the **benchmark**. (See pages 8 and 9.)
- If you don't offer insurance, call our marketing staff to discuss how FHIAP might help.
- If you have employees who aren't eligible for your plan or you don't offer health insurance, FHIAP may help those employees purchase individual health insurance. Employees may call FHIAP to request an application.

Employees pay their share of the premium plus other costs of private health insurance such as co-payments and deductibles. Through FHIAP, employers, employees and the government share the cost of health insurance and increase the number of Oregonians with access to health care.

Employer benefits

- Employees with insurance stay with you longer, reducing turnover and training costs.
- FHIAP helps employees add uninsured dependents to your plan, bringing younger people into the plan and potentially stabilizing rates.
- FHIAP helps employers meet health insurance participation requirements because more employees/dependents can afford their share of the costs.
- Employees get timely medical attention for themselves or their children. This means they miss less work and are more productive at work.
- Reducing the number of uninsured Oregonians helps your bottom line. People without insurance seek care in emergency rooms. The unpaid bills eventually are passed to businesses and individuals in the form of higher premiums.

“We think benefits are one of the biggest tools that we can use to retain our employees. Having access to medical insurance with FHIAP has just been great to us.”

Lori Anton, Bend employer

Who qualifies?

Must be uninsured

Employees and/or their family members must have been without health insurance for the previous **six months** or are leaving Oregon Health Plan.

Grace period: It is important to tell employees about FHIAP before they sign up for insurance. However, employees who have been enrolled in your health plan less than 120 days may apply to FHIAP if they were uninsured for six consecutive months before enrolling in your group plan. Employees should call FHIAP and request an application or sign a FHIAP application within 120 days. Toll-free in Oregon: 1-888-564-9669
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Oregon residency

Applicants must live in Oregon.

Citizenship

Applicants must be U.S. citizens or qualified non-citizens. Typically, qualified non-citizens have legally resided in the U.S. for a minimum of five years.

Investments and savings

A family's total investments and savings must be less than \$10,000. **FHIAP counts:** Cash, checking and savings accounts, real property other than the primary residence, stocks, bonds, and other securities easily converted to cash. **FHIAP doesn't count:** employee's primary residence, vehicles or IRS-qualified retirement accounts.

Medicare

Employees who are eligible for or receive Medicare aren't eligible for FHIAP.

Income guidelines

FHIAP pays from 50 percent to 95 percent of the **employee's** portion of the medical-dental-vision premium, based on the employee's family size and income.

The family's average gross monthly income must not exceed the highest amount shown in the 50 percent column for their family size. See www.fhiap.oregon.gov for current numbers or for subsidies for larger families.

FHIAP Subsidy Chart Monthly Family Income

Family Size	FHIAP Pays 95%	FHIAP Pays 90%	FHIAP Pays 70%	FHIAP Pays 50%
1	\$0-\$1,064.00	\$1,064.01-\$1,277.00	\$1,277.01-\$1,447.00	\$1,447.01-\$1,575.00
2	\$0-\$1,427.00	\$1,427.01-\$1,712.00	\$1,712.01-\$1,940.00	\$1,940.01-\$2,111.00
3	\$0-\$1,789.00	\$1,789.01-\$2,147.00	\$2,147.01-\$2,433.00	\$2,433.01-\$2,648.00
4	\$0-\$2,152.00	\$2,152.01-\$2,582.00	\$2,582.01-\$2,926.00	\$2,926.01-\$3,184.00
5	\$0-\$2,514.00	\$2,514.01-\$3,017.00	\$3,017.01-\$3,419.00	\$3,419.01-\$3,721.00

*Average gross monthly income guidelines, effective 1/24/07.
These guidelines change annually, usually around February.*

- Add a family's gross income for the past three months and divide by three. This is the average monthly income.

- Find the family size in the left column. Count all members even if they don't qualify or aren't applying for FHIAP. Follow the row across to the column with the average monthly income.
- The number at the top of the column is the percent of the health insurance premium cost FHIAP pays.

FHIAP Subsidy Chart Hourly Family Income

Family Size	FHIAP Pays 95%	FHIAP Pays 90%	FHIAP Pays 70%	FHIAP Pays 50%
1	\$0-\$6.14	\$6.15-\$7.37	\$7.38-\$8.35	\$8.36-\$9.09
2	\$0-\$8.23	\$8.24-\$9.88	\$9.89-\$11.19	\$11.20-\$12.18
3	\$0-\$10.32	\$10.33-\$12.39	\$12.40-\$14.04	\$14.05-\$15.28
4	\$0-\$12.42	\$12.43-\$14.90	\$14.91-\$16.88	\$16.89-\$18.37
5	\$0-\$14.50	\$14.51-\$17.41	\$17.42-\$19.73	\$19.74-\$21.47

*Hourly figures are provided for comparison purposes only.
Monthly numbers (see chart on opposite page) determine eligibility.*

Self-employment

Different rules apply to income from self-employment, farming, fishing, and ranching.

Subsidy examples

1. John works for a manufacturer. His employer pays all of his monthly premium of \$230. John doesn't add his wife and child to the plan at work because he can't afford the additional \$580. The family qualifies for FHIAP to pay 90 percent of the cost to add dependents. Here is the math:

Family premium	\$810
Employer share for John	<u>\$-230</u>
Employee's cost to add dependents	\$580
FHIAP reimbursement (90%)	<u>-\$522</u>
John's cost to add family	\$58

2. Jane works in an assisted living center. Jane is single; her premium is \$288 monthly. Her employer pays 50 percent of the premium. She is approved for a FHIAP subsidy at the 95 percent level, meaning FHIAP pays 95 percent of what her employer doesn't cover. Here is the math:

Employee only premium	\$288
Employer share for Jane	<u>-\$144</u>
Employee's cost	\$144
FHIAP reimbursement (95%)	<u>-\$136.80</u>
Jane's cost	\$7.20

Monthly Premium Cost To Add Family (Example At Different Subsidy Levels)

	95%	90 %	70%	50%
<i>Monthly premium cost</i>	\$500.00	\$500.00	\$500.00	\$500.00
Employer contribution	<u>-250.00</u>	<u>-250.00</u>	<u>-250.00</u>	<u>-250.00</u>
Employee's cost to add family	\$250.00	\$250.00	\$250.00	\$250.00
FHIAP subsidy level	<u>x .95</u>	<u>x .90</u>	<u>x .70</u>	<u>x .50</u>
FHIAP subsidy	\$237.50	\$225.00	\$175.00	\$125.00
Amount employee would pay	\$12.50	\$25.00	\$75.00	\$125.00

What happens if an employee loses coverage?

FHIAP will subsidize COBRA or portability payments if the employee *is a past or present FHIAP member* when he or she becomes eligible for COBRA or portability.

When does the subsidy start?

FHIAP will begin to subsidize your employee's health insurance premium the month that the employee receives FHIAP approval. For example, if an employee receives an approval letter dated Sept. 25, FHIAP's first subsidy check will cover the month of September. Employees are responsible for any premiums prior to FHIAP approval.

Does your health plan meet the FHIAP benchmark?

To use a FHIAP subsidy at work, the employer's group health plan must meet a minimum benefit level known as the benchmark. Most plans qualify.

Guidelines include:

- Annual deductible of \$1,000 or less
- Member co-insurance of 30 percent or less
- Stop loss of \$10,000 or out-of-pocket maximum of \$4,000 per individual
- A prescription drug benefit

Employees who are approved for FHIAP will ask you for a copy of your health benefit plan summary, including the prescription drug benefit. FHIAP then determines whether your plan meets the benchmark.

Your plan may qualify even if it doesn't meet one or more of the guidelines. If you have questions, call FHIAP and ask for the benchmark specialist.

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How to benchmark your health plan

If you don't already have an employee in FHIAP, you may want to see if your plan meets the benchmark before sharing information about the program. This also will save time because your employees won't have to request a copy of the plan from you when they apply to FHIAP.

To determine whether your plan meets the FHIAP benchmark, complete the *Group Insurance Information form* found on www.fhiap.oregon.gov and mail that to us with your medical benefit booklet, including the prescription drug plan.

You won't need to submit information on your health plan until your next anniversary date (unless your plan changes before that). If you have more than one plan, we need to see information for each plan.

Dental plans don't need to be benchmarked.

“It helps the whole community when people have access to health care.”

*Linda Jaeger,
Salem health insurance producer*

FHIAP group subsidy process

1. Employee requests application (calls FHIAP, gets one at work, downloads).

2. Employee mails, e-mails, or faxes completed application to FHIAP. This includes a copy of employer's health benefit plan summary unless the plan is already benchmarked.

3. FHIAP determines eligibility and benchmarks employer plan. Mails approval letter with Enrollment Verification (EV) form.

4. Employee takes EV form to employer and returns completed form to FHIAP.

5. Employee enrolls in employer group plan.

6. Employer withholds full employee premium.

7. Employee or employer sends FHIAP a copy of pay stub or payroll information. (See page 13)

8. FHIAP sends employee a reimbursement check.

FHIAP, step by step

1. Your employees apply for FHIAP

Applications are available by phone:

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Or, get an application from www.fhiap.oregon.gov.

Employers may keep a supply of applications on hand.

2. Employee mails, e-mails, or faxes completed application to FHIAP

- **GII form:** If your plan hasn't been benchmarked, your employee will ask you to complete the Group Insurance Information (GII) form. The GII asks for basic information about your health plan. Your employee returns this form to FHIAP with a copy of your health plan summary, including the prescription drug benefit. FHIAP needs one GII form for every health plan offered at work.

3-4. FHIAP determines eligibility

FHIAP usually tells applicants whether they are eligible within 30 days.

- **EV form:** *Every* employee who is approved for FHIAP will ask you to fill out the Enrollment Verification form. This gives us details about who will enroll in your health plan, when coverage starts, what the premium will be and what the premium includes. This tells us how much to reimburse the employee. *FHIAP can't reimburse the employee without a completed EV form.*

5. Employee or dependents enroll in your health plan

In most cases, FHIAP-approved employees/dependents may enroll immediately in your plan and must do so **within 30 days** of receiving their FHIAP approval letter.

This is because many insurance companies make FHIAP a “**qualifying or life event**” so families don’t need to wait until open enrollment. These companies are:

- Aetna
- CIGNA
- Clear Choice
- Health Net
- Kaiser Permanente
- Lifewise
- ODS
- PacifiCare (United Healthcare)
- PacificSource
- Preferred Health Plans
- Providence
- Regence BlueCross BlueShield

When employees enroll in your group plan with one of these carriers, they will include a copy of their FHIAP approval letter. This tells the carrier that the employee is approved by FHIAP and can enroll immediately.

If you aren’t insured with one of the carriers listed above or you are self-funded or partially self-funded, your employees may need to wait until open enrollment. Call FHIAP; ask for marketing. We may be able to help the employee while he or she waits for open enrollment or we may be able to contact the carrier about making FHIAP a qualifying event.

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6. Employer withholds premium

The employer withholds the employee's premium from the employee's paycheck, just as with all other employees.

7. Proof of deduction for reimbursement

a. Employee faxes pay stub

Every pay period, the employee submits proof to FHIAP that the premium was withheld. Often, the **employee** mails, e-mails, or faxes a copy of the pay stub. Sometimes employers will allow the use of their fax machine for this.

Fax to: (503) 378-4678. OR, fax toll-free in Oregon:

1-866-843-8936. E-mail: mas.fhiap@state.or.us.

b. Employer option

Some employers help FHIAP speed up the process by e-mailing payroll information that is available several days before checks are issued. FHIAP then processes its reimbursement check more quickly. Call Member Account Services:

Toll-free in Oregon: 1-888-564-9669

In Salem: (503) 373-1692

8. FHIAP reimburses employee

FHIAP reimburses the employee by mail or direct deposit. FHIAP strives to process reimbursement checks within five business days.

Note: FHIAP sends employers a new EV form when plan or rate changes occur. The employer may fax the forms toll-free in Oregon to: 1-866-843-8936. To prevent delays in reimbursements, FHIAP asks members to write us if there are any unusual deduction amounts such as withholding extra premiums for summer months.

Before you promote FHIAP

1. If you offer insurance, make sure FHIAP benchmarks your health plan.
2. Inform all of your employees about FHIAP or target employees who aren't enrolled in your health plan or whose family members aren't enrolled. Remember, applicants must be uninsured for six months to qualify, with the exception of those leaving OHP.
3. If your insurance company considers FHIAP a "qualifying event," let employees know about FHIAP immediately. If not, start your awareness campaign at least two months prior to open enrollment. This gives your employee time to apply and FHIAP time to determine eligibility.

If you don't already offer health insurance, FHIAP maintains a referral program to put you in touch with a FHIAP-trained health insurance producer (agent) in your community. Call for a referral.

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Promoting FHIAP

- Add a FHIAP flyer to paychecks. FHIAP can provide these and other materials.
- Explain FHIAP at staff meetings. Call FHIAP (ask for marketing) and request a visit to your business to explain FHIAP to the employer and/or employees. Or, ask your insurance producer (agent) to assist.
- Include a FHIAP brochure or application in all new employee packets so that employees can determine whether they qualify for a subsidy **before** they sign up for insurance.

Order **free** promotional materials. Call FHIAP and ask for marketing.

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- E-mail a message: “If you or a family member is uninsured and can’t participate in our health plan because of cost, you may want to contact the state’s Family Health Insurance Assistance Program to see if you qualify for help paying the monthly premium. Call: Toll-free in Oregon: 1-888-564-9669; in Salem: (503) 373-1692.”
- Request an article for newsletter from marketing.
- Share this Web site: www.fhiap.oregon.gov

Common questions

Q: Why do my employees or dependents have to be uninsured for six months to qualify for FHIAP?

A: FHIAP was created to help the uninsured access medical care.

Q: Our company pays 100 percent of our employees' premiums but doesn't contribute to the **dependent premium**. Can FHIAP help?

A: Yes. Employees often want to provide coverage for their family members but they can't afford the additional cost. Using a FHIAP subsidy, many of these employees can add uninsured family members to your plan. This can help you increase your participation level.

“FHIAP makes a world of difference! Without it, many of our families could not have insurance. By keeping employees and their families healthy, we increase morale, productivity, and reduce turnover.”

*Teri Terrill,
Human Resources Director
Rogue Valley Manor*

Q: Why does FHIAP need my EIN (**Employer Identification Number**)?

A: We use the EIN to track whether your health plan already has been benchmarked. This saves you paperwork because you won't have to make multiple copies of your health benefit plan summary. (This information is kept confidential.)

Q: Is anything available for my employees who **don't qualify** for our group health insurance plan?

A: Yes. We have individual health insurance subsidies. We mail applications as openings occur. Have your employees call FHIAP to put their names on a list for an application.

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Q: What is the **employer's role** in FHIAP?

A: The employer completes the Group Insurance Information (GII) form once and the Enrollment Verification form for each employee with FHIAP.

Good news:

The FHIAP subsidies your employees receive are tax-free!

Q: Our company is insured with a “qualifying event carrier.” How does that work with our 125 plan?

A: Although your carrier considers FHIAP a qualifying event, the IRS doesn’t specifically list FHIAP as a qualifying event. Ask your legal counsel or accountant whether to allow employees to enroll in your health plan and your 125 plan under the “special qualifying event.”

Some 125 plan employers don’t allow employees to enroll in their health plan until open enrollment. Others allow the employees to enroll under the “special qualifying event” but not in the 125 plan. This is a business decision of the employer.

FHIAP members hold private insurance cards that give them access to the same provider network as anyone else with that health plan.



Order applications, brochures, payroll stuffers, posters or flyers.

Applications are available in English and Spanish. Brochures are available in English, Spanish, Russian and Vietnamese.

Ask a marketing specialist for help.

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