Dependent Eligibility Review Rules and Definitions

101-015-0011
Dependent Child

(1) A dependent child must meet the following eligibility conditions to receive PEBB health plan coverage:

(a) The child is:

(A) An eligible employee’s, spouse’s, or domestic partner’s son, daughter, stepson, stepdaughter, adopted child; or

(B) A Child by Affidavit includes but not limited to a foster child, grandchild, child placed for adoption, or court ordered placement of a child who lives in the household of the eligible employee, and is the eligible employee’s IRS dependent. The employee must provide court ordered documentation of guardianship and the notarized Affidavit of Child Dependency upon enrollment. Coverage ends the last day of the month in which the court ordered guardianship ends or age 18, whichever comes first. An eligible employee may not add a child by affidavit age 18 or older to PEBB coverage unless they can provide court ordered documentation for responsibility of the child beyond the age of 18; or,

(C) The biological child of an eligible dependent child of an eligible employee, spouse, or domestic partner (a grandchild by affidavit) and meets all the following criteria:

(i) The child’s parent will not be older than age 26 on the last day of the plan year, is unmarried and without a domestic partner. Both the child’s parent and the child live in the household of the eligible employee, and both the child and grandchild are the eligible employee’s IRS dependent. The child’s parent has PEBB health coverage through the eligible employee. An eligible employee may not add a grandchild age 18 or older to their PEBB coverage unless they can provide court ordered documentation for responsibility of the child beyond the age of 18.

(b) The child will not have attained age 27 as of December 31 of the plan year. The exception is a child who meets all the requirements of section (4) of this rule.

(2) During Open Enrollment, the employee may enroll a Child by Affidavit or Grandchild by Affidavit if the appropriate notarized affidavit and court ordered documentation is submitted within seven calendar days after open enrollment closes. The exception is for a newly eligible
employee after the closure of the open enrollment period but before the start of the new plan year. The employee must complete the paper open enrollment forms and submit the required court ordered documentation and notarized affidavit, as listed in (3) of this rule, to the agency before the start of the new plan year. If the employee does not submit the court ordered documentation as required, the child’s enrollment will not activate. PEBB Coverage ends the last day of the month in which the court ordered guardianship ends or age 18, whichever comes first.

Example: Jack’s foster child Joe is receiving PEBB coverage. Jack’s legal documentation used at the time of Joe’s enrollment stated that Jack will no longer be responsible for Joe when Joe turns 18. Joe’s birth date is November 11, if there is no change to the court ordered responsibility, Joe’s PEBB coverage will terminate November 30 the year he turns 18.

(3) Newly eligible employees or employees with a midyear change requesting to enroll a Child by Affidavit or Grandchild by Affidavit must submit the appropriate court ordered documentation and the notarized Child by Affidavit or Grandchild by Affidavit to the agency within the allowable enrollment time. The agency will not process the employee’s enrollments until the employee submits all of the following:

(a) Completed and signed appropriate forms;

(b) Completed and notarized affidavit; and

(c) Court ordered documentation as required.

(4) There is no age limit for a dependent child who is incapable of self-sustaining employment because of a developmental disability, mental illness, or physical disability, when all the criteria in this section are met.

(a) The employee must submit to PEBB any appeal and enrollment forms to enroll a disabled child age 26 or older, or to indicate the child disabled in the PEBB benefit record when the child is already receiving coverage.

(b) The child’s attending physician must submit documentation of the child’s disability to the employee’s health plan. The health plan provides a medical review of the physician’s medical documentation and provides PEBB a disability determination based on the review.

(c) When the employee requests to enroll a disabled child over the age of 26:
(A) The child must be the employee’s qualifying IRS dependent.

(B) The physician must verify to the health plan that the disability existed before the child attained age 26.

(C) The child must be unable to engage in substantial gainful activity because of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(D) The employee must provide evidence to PEBB that the child has had continuous health plan coverage, group or individual, prior to attaining age 26 and the coverage remains in effect. The other coverage must continue until the employee’s medical plan approves the child’s health status as disabled and the PEBB plan is effective. If the child has not had continuous coverage, the child is not eligible for PEBB coverage.

(d) When a disabled child is receiving coverage beyond the age of 26, the employee’s health plan can review the child’s health status at any time and determine if the child continues to meet the criteria for a disabled child.

(e) If a disabled dependent child’s PEBB health coverage terminates for any reason after the age of 26, the child is ineligible for future enrollment as a dependent child under that PEBB coverage. The exception is termination of the child’s coverage due to the employee’s termination of employment when the employee is rehired later into a PEBB benefit eligible position. In this situation, to enroll the child again as disabled all PEBB criteria for disabled child within (4) of this rule must be met.

(5) PEBB terminates all plan coverage for dependent children who reach age 26 during a calendar year at midnight December 31. PEBB will not terminate coverage for children age 26 or older when approved by the health plan as incapable of self-sustaining employment because of a developmental disability, mental illness, or physical disability pursuant to section (4) of this rule. The exception would be child and grandchild by affidavit, see section B (i).

Statutory/Other Authority: ORS 243.125 & ORS243.061-302, 659A.060-069, 743.600-602 and 743.707
101-010-0005
Definitions

Unless the context indicates otherwise, as used in OAR chapter 101, divisions 1 through 60, the following definitions will apply:

(1) “ACA” means the Patient Protection and Affordable Care Act and regulations promulgated under the Act by any federal agencies as of the effective date of the amended rule, including but not limited to Shared Responsibility for Employers Regarding Health Coverage, 79 Fed. Reg. 8544 (Feb. 12, 2014).

(2) “Actively at work” for medical and dental insurance coverage means an active eligible employee at work, in paid status and scheduled for work during the month. Optional plan policies or plan certificates contain “actively at work” criteria specific to the individual plan.

(3) “Active Participation” in reference to a Flexible Spending Account (FSA) means an eligible employee currently enrolled in the plan and who each month deposits the required dollar contribution in the account.

(4) “Administrative Period” means ACA period of no longer than 90 days beginning immediately following the end of a Standard Measurement Period and no longer than 90 days beginning immediately following the end of an Initial Measurement Period and ending immediately before the start of the associated Stability Period. During this time period the employer completes administrative tasks, for example but not limited to, calculating measurement period hours, eligibility determination, providing the employee with enrollment materials.

(5) “Affidavit of Dependency” means a notarized document that attests a dependent child meets the criteria for a dependent child under OAR 101-015-0011.

(6) “Affidavit of Domestic Partnership” means a notarized document that attests the eligible employee and one other individual meet the criteria in OAR 101-015-0026(2).

(7) “Agency” means a PEBB participating organization such as an individual state of Oregon public agency, semi-independent agency, and individual OUS University.

(8) “Benefit amount” means the amount of money paid by a PEBB participating organization for the purchase of core benefit plans on behalf of active eligible employees. PEBB does not determine the benefit amount.

(9) “Benefit eligible” means an employee who has met the eligibility requirements of (18) of this rule and is eligible to enroll in PEBB core benefits and optional plans.

(10) “CBIW” means Continuation of Benefits for Injured Workers.
“Certificate of Registered Domestic Partnership” means the certificate issued by an Oregon county clerk to two individuals of the same sex after they file a Declaration of Domestic Partnership with the county clerk.


“Core Benefits” means specific benefit plans that a PEBB employer may contribute a benefit amount towards the cost of the premiums for active eligible employees (e.g., medical, dental, vision, and employee basic term life coverage).

“Commuter Accounts” means either a Transportation or Parking account as permitted under Commuter Benefits 26 CFR 1.132-9. This benefit allows benefit enrolled employees to contribute to one or both accounts on a pretax basis to pay for work-related commuting expenses.

“Court Ordered” means it is an official proclamation by a judge (or panel of judges) that defines the legal relationship between the parties to a hearing, a trial, an appeal or other court proceedings.

“Dependent Care Flexible Spending Account” or “Dependent Care FSA” means the Dependent Care Assistance Program (DCAP) that PEBB has adopted in accordance with section 129 of the Internal Revenue Code.

“Dependent child” means a child that satisfies the conditions of OAR 101-015-0011, as applicable.

“Domestic partner” means an eligible employee’s partner in a registered domestic partnership under Chapter 99 Oregon Laws 2007 or unmarried partner of the same or opposite sex that meets the requirements as outlined in OAR 101-015-0026(2).

“Eligible employee” means an individual eligible to enroll in PEBB plan benefits by reason of his or her employment with a PEBB-participating employer, and includes:

(a) “Active eligible employee” means an employee of a PEBB participating employer, including a state official, in an exempt, unclassified, classified, or management service position who works at least half-time or in a position classified as job share and is expected to work at least 90 days. The term active eligible employee can apply to an employee in an initial or standard measurement period, or in a stability period, and includes:

(A) A permanent employee who is appointed to a permanent position (as defined by OAR 105-010-0000(40)) that is a benefit eligible position, including but not limited to a full time, half-time, job share, or seasonal position; or

(B) A temporary or impermanent worker who is not appointed to a permanent position, but by following the ACA regulations and policy for full time employees, becomes benefit eligible on a specific date after appointment due to work expectations or becomes benefit eligible following an initial measurement period.
(b) “Retired eligible employee” means a previously active eligible employee, who meets retiree eligibility as defined in OAR 101-050-0005. A retired eligible employee can enroll in PEBB retiree benefit plans as established in Division 50 of this chapter, and must self-pay the premiums.

(c) “Other eligible employee” means an individual of a specific self-pay group as established by ORS 243.140 and 243.200. These groups are eligible only for medical or dental benefits as approved by PEBB.

(20) “Family member” means a spouse, domestic partner, or a qualifying child.

(21) “FMLA” means the federal Family Medical Leave Act.

(22) “FTE” means full time equivalent job position.

(23) “Grandchild Affidavit” means a notarized document that attests a grandchild of an eligible employee, spouse, or domestic partner meets the eligibility criteria for PEBB grandchild coverage as defined in OAR 101-015-0011(1)(C).

(24) “Half-time” means an eligible employee who works less than full time but at least:

(a) Eighty paid regular hours per month; or

(b) 0.5 FTE for unclassified OUS employees; or

(c) Eighty paid hours per month and is employed at a minimum of .5 FTE, for Oregon Judicial Department employees; or

(d) As defined by collective bargaining.

(25) “Health Flexible Spending Account” or “Health FSA” means the health flexible spending arrangement that PEBB has adopted in accordance with the Internal Revenue Code.

(26) “Imputed value” means a dollar amount established yearly for an insurance premium at fair market value. The IRS or the Oregon Department of Revenue may view the imputed value as taxable income. The imputed value dollar amount is added to the eligible employee’s taxable wages.

(27) “Ineligible individual” means an individual who does not meet the definition of an eligible employee, spouse, domestic partner, or dependent child as defined in PEBB administrative rules.

(28) “Job share” means two eligible employees sharing one full time equivalent position. Each eligible employee’s percentage of the total position determines the benefit amount the employee receives. The monthly benefit percentage amount remains the same regardless of each individual’s hours worked per month. Job share employees may not donate their portion of the benefit amount to the job share co-worker.
Example: John and Jill share one full time equivalent position. When they were hired into the position in July, John’s percentage of the total position was 40 percent; Jill’s percentage was 60 percent. John worked 70 percent of the available hours in September. John’s benefit amount percentage for September remains at 40 percent. Jill’s benefit amount percentage remains at 60 percent.

(29) “Measurement Period” means the required ACA look-back period during which hours are calculated to determine if an employee has averaged at least 30 hours per week. There are two types of measurement periods:

(a) “Standard Measurement Period” means the twelve (12) consecutive month period starting November 1 and ending October 31.

(b) “Initial Measurement Period” means the twelve (12) consecutive month period starting with the first day of the employee’s employment.

(30) “Midyear plan change event” means an event that provides an eligible employee an exception to the general plan year irrevocability rule that applies to PEBB benefit plan elections. Not all events allow changes to all plans, only enrollment changes that are consistent with the event are allowed. Permissible midyear events fall into three broad groups with allowable subgroups. The broad groups are:

(a) Change in status,

(b) Cost or coverage changes; or

(c) Other laws or court orders.

(31) “OFLA” means the Oregon Family Leave Act.

(32) “OSPS” means the Oregon State Payroll System.

(33) “OUS” means the Oregon University System.

(34) “Open enrollment period” means an annual period chosen by PEBB when both active and other eligible employees and COBRA participants can make benefit plan changes or elections for the next plan year.

(35) “Optional plans” means, but is not limited to:

(a) Dependent life insurance;

(b) Employee, spouse, or domestic partner optional life insurance;

(c) Accidental Death & Dismemberment (AD&D) insurance;
(d) Short Term Disability insurance;

(e) Long Term Disability insurance;

(f) Flexible Spending Accounts (Health and Dependent Care);

(g) Long Term Care insurance; and

(h) Commuter Accounts (Transportation and Parking)

(36) “Paid regular status” means in current payroll status, and receiving payment for work time. Paid regular status includes the use of vacation, sick, holiday, personal leave accruals, compensatory time, or other employer approved status such as furlough.

(37) “Pebb.benefits” means the electronic benefit management system sponsored by PEBB. The system allows electronic enrollment and termination of an eligible individual’s benefit plans, personal information updates, and the transmittal of data to plans, payroll centers, and third party administrators.

(38) “PEBB participating organization” means a state agency, board, commission, university, or other entity that receives approval to participate in PEBB benefit plans.

(39) “Plan change period” means a period chosen by PEBB when retirees can make limited benefit plan changes.

(40) “Plan year” means a period of twelve consecutive months. PEBB’s plan year is a calendar year.

(41) “Qualified status change” (QSC) means a midyear change event generally associated with a family change or a work status change that affects plan eligibility. Plan changes are allowed when consistent with the event.

(42) “Rescission” means a cancellation or discontinuance of coverage that has a retroactive effect. A cancellation or discontinuation of coverage that is prospective only, or one that is effective retroactively but is attributable to nonpayment of premiums or contributions, is not a rescission.

(43) “Reinstate” means to reactivate previous benefits and enrollments, if available, to an eligible employee returning to eligible status within a specific time frame. Reinstated enrollment does not include FSAs, Long Term Care or Commuter plans.

(44) “Spouse” means an individual who is legally married. A marriage or a relationship recognized as a legal marriage between two individuals in Oregon, or another state or foreign country, will be recognized in Oregon even though such a relationship would not be a marriage if the same facts had been relied upon to create the marriage in Oregon. The definition of spouse does not include a former spouse and a former spouse does not qualify as a dependent.
(45) “Stability Period” means the twelve (12) consecutive month period that immediately follows a Standard Measurement Period or an Initial Measurement Period, and, the Administrative Period associated with that Standard Measurement Period or Initial Measurement Period. An employee remains benefit eligible for the duration of a given stability period if the employee had an average of 30 hours of service per week, or 130 hours per month, for the duration of the measurement period immediately preceding the stability period.

(a) The stability period following a standard measurement period begins on January 1 of the year after the standard measurement period ends, and ends on December 31 of that year.

(b) The stability period following an initial measurement period begins on the first day of the second full calendar month after the date on which the initial measurement period ends.

Statutory/Other Authority: ORS 243.061 - 243.302
Statutes/Other Implemented: ORS 243.061 - 302, 659A.060 - 069, 743.600 - 602 & 743.707

101-015-0030
Eligibility and Policy Term Violations — Definitions

For the purposes of OAR 101-015-0035 and OAR 101-015-0040, the following definitions will apply:

(1) “Eligibility or Enrollment Violations” means and includes a violation of the PEBB’s eligibility or enrollment rules or policies including fraud or material misrepresentation. Misstatements, misrepresentations, omissions or concealments on the part of the PEBB member are not fraudulent unless they are made with intent to knowingly defraud. PEBB has primary responsibly in investigating such violations. If an Eligibility Violation is considered a violation of the insurance carrier’s policy, then the violation may also be considered a Policy Term Violation, and OAR 101-015-0040 would also apply.

(a) “Intentional Violation” is a violation that has occurred in which PEBB has electronic or written documentation that the eligible employee took action resulting in a non-eligible member being enrolled in PEBB benefits.

(b) “Unintentional Violation” is a violation that has occurred in which the eligible employee was not aware that such violation had occurred and there is no evidence of the eligible employee completing a paper form or logging in and enrolling an ineligible member in PEBB benefits.

(2) “Policy Term Violations” means and includes a violation of the insurance carrier’s policy terms. The insurance carrier has primary responsibility in investigating such violations.
101-015-035
Eligibility Violations

(1) Unintentional Violation:

(A) PEBB will remove from coverage an ineligible PEBB member due to eligibility or enrollment violations. Removal from all benefit plans will be retroactive to the date the individual is determined to have no longer been eligible, or the effective date of coverage if eligibility criteria was never met unless in conflict with federal healthcare reform.

(B) When an eligibility or enrollment violation has been discovered and investigated, PEBB will notify the member and the Agency Human Resource Department with the outcome.

(C) The member may be responsible for any claims paid during the period of time the member was enrolled inappropriately.

(2) Intentional Violation:

(A) The ineligible member shall be removed from coverage by PEBB. The ineligible member’s coverage will be retroactively terminated to the date the individual is determined to have no longer been eligible, or the effective date of coverage if eligibility criteria was never met.

(B) PEBB may terminate the eligible employee along with remaining dependents from all plans excluding basic and mandatory plans selected by the agency. This will be a prospective termination lasting for a period of 12 months. The prospective termination will be effective the first day of the following month that the Intentional Violation was discovered.

101-015-0040
Policy Term Violations

(1) An PEBB-contracted insurance carrier may remove from coverage and/or deny the claims of a PEBB member due to policy term violations. Removal from coverage for policy term violations is at the discretion of the insurance carrier.

(A) If a policy term violation results in a termination from the plan or carrier that the violation was committed, it will not prevent the member from continuing enrollment in other PEBB types of coverages (e.g., medical, dental, vision, life, etc.), as long as they remain an employee and eligible for these benefits.

(B) If an eligible employee commits a policy term violation and loses coverage, PEBB will remove the entire family from the insurance plan since the benefits are extended to his or her dependents through the eligible employee. If the eligible employee chooses to, and it is offered, they can enroll in a different carrier plan (if applicable).
(C) If a dependent commits a policy term violation, PEBB will remove only the dependent from the insurance plan. If the eligible employee chooses to and it is offered, they can enroll in a different carrier plan (if applicable).

(D) The PEBB member who is removed from a PEBB sponsored insurance plan may appeal the decision through the carrier that terminated coverage.

(E) When a policy term violation has been discovered and investigated, the applicable insurance carrier will notify PEBB and the member with the outcome.

(2) The insurance carrier may do the following when a member has violated a provision of the policy the PEBB member has enrolled in, committed fraudulent activity or misrepresentation:

(A) The insurance carrier may retain the value of any expenditure it made related to the member who committed the fraudulent activity or misrepresentation.

(B) The insurance carrier may deny future enrollments of the individual in accordance with the carrier’s policies.

101-015-0045
Eligibility Verifications and Reviews

(1) PEBB shall plan and conduct eligibility verifications and reviews to monitor compliance with PEBB administrative rules. Reviews shall include, but are not be limited to the following:

(a) Dependent eligibility;

(b) Employee eligibility;

(c) Election change limitations; and

(c) Plan enrollment limitations.

(2) Employee eligibility, election change and plan enrollment reviews may occur on a random basis throughout the year, or if anomalies in data warrant a formal review.

(a) The Eligible Employee is responsible to submit documentation upon request.

(3) Dependent eligibility reviews shall be completed as needed.

(a) The Eligible Employee, Retiree, Self-Pay or COBRA participant is responsible to submit documentation upon request. In the event the required documentation is not provided to sufficiently prove the dependent meets eligibility requirements, or the documentation provided is insufficient, the dependent’s coverage will be terminated prospectively. Retroactive terminations may occur if the documentation provided shows the dependent was not eligible for coverage and
the member misrepresented the dependent as being an eligible dependent as defined by OAR use 101-010-0005.

(4) If an Eligible Employee does not complete the dependent eligibility review and moves to a different Agency under PEBB, their terminated dependent records may be locked in the PEBB benefit management system. The Eligible Employee must submit documentation to PEBB to be verified before the dependent records are unlocked.

**101-015-0050**
Dependent Eligibility Verifications and Review Appeals

(1) Following the termination of dependents due to a dependent eligibility review, Eligible Employees, Retirees, Self Pays or COBRA participants may file an appeal and submit requested documentation within 60 days from the date coverage ended.

(2) For Eligible Employees/Retirees/Self-Pay/COBRA, if the appeal and submitted requested documentation is received by PEBB prior to 60 days from the date coverage ended, and dependents are verified, PEBB will unlock the dependent records in the PEBB benefit management system and dependents added retrospectively.

(3) For Eligible Employees/Retirees/Self-Pay/COBRA, if the appeal and submitted requested documentation is received by PEBB after 60 days from the date the coverage ended then dependents will be added prospectively.