

State of Oregon

Public Employees' Benefit Board Summary Plan Description

Self-pay participants must enroll by completing the enrollment forms identified for each group. These forms are available online or from BenefitHelp Solutions (BHS), the third-party administrator.

Failure to Enroll

Newly eligible employees who do not enroll for benefits within the 30 days of becoming eligible may not participate in the benefit program for that plan year. If you fail to enroll because of circumstances beyond your control, you may appeal to PEBB. If PEBB approves the appeal, you may enroll only for medical and dental coverage, including coverage for eligible dependents. You will also receive employee basic life insurance coverage.

Correcting Enrollment Errors

Employees may make errors in the process of enrolling for benefits when they provide information or make selections on forms or through the online system.

An employee's failure to take an enrollment action during a period of required enrollment is not considered an enrollment error. An enrollment action means to enroll, add to, save or change benefit plan enrollment elections or to enroll, add to, save, or change coverage for an individual.

If you or your agency discovers an enrollment error within 30 days of the original effective date of your enrollment as a newly eligible employee or for a midyear change, your agency can take corrective action to some elections back to the original effective date.

If you make an Open Enrollment error, your agency can correct the error up to 30 days from when you receive your first paycheck of the new plan year. The correction will be retroactive to the first day of the new plan year. The exception to retroactive correction is correcting errors for core benefits (medical, dental, employee basic life). Once coverage is effective for these benefits, it can terminate only prospectively.

PEBB must review all employee requests to correct enrollment errors received after 30 days of the original date of eligibility or the date that qualifies for a midyear plan change. Requests received more than 60 days from either of these dates must demonstrate facts and circumstances that clearly establish that an employee error occurred.

Midyear Plan Changes

During the plan year, you may not revoke choices related to your participation in the PEBB benefits program, plan selections, or related salary deductions unless you experience a qualified midyear plan change event.

A qualified status change (QSC) is one type of midyear plan change event. This is an event that changes your work or family circumstances. A QSC is the most common type of midyear plan change event; however, there are several other change events allowed. The IRS requires that PEBB comply with federal regulations for midyear plan changes. Midyear plan change events must meet the IRS "consistency rule," which means the event must affect eligibility, and the requested plan change must be consistent with the way eligibility has been affected. This means the requested benefit change must link to the event.

Here are two examples.

- **Example 1. You adopt a child.** This is a QSC event that allows you to add the dependent child to your current medical and dental insurance coverage and to add or increase other coverage related to the adoption, such as adding optional Dependent Life insurance. There is no other fact

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around this single event that would allow you to change to a different medical or dental plan than what you currently have. The one exception to this is a request to change from a PPO to an HMO plan or vice versa.

- **Example 2. You move from an eligible classified full-time position to an eligible classified part-time position (a true position classification change, not just a decrease in hours).** This change is also a QSC and makes you eligible to enroll in the part-time or the full-time plans. It also changes the monthly benefit amount from the employer. You may change benefit plans and add or delete coverage.

To make a change based on a midyear plan change event your agency must receive the appropriate form within 30 days of the date of the event. Midyear change [forms are available online](#). PEBB must receive all midyear plan change requests beyond 30 days from the event date.

Examples of Midyear Change Events

Midyear change events that affect eligibility for insurance benefits

These changes fall into three broad categories.

1. Qualified status changes, such as changes in
 - Legal marital status – marriage, divorce or death of a spouse
 - Number of dependents, such as birth, death or adoption of a child
 - Your or a family member's employment status, such as the start or end of employment, or a change from part-time to full-time job status
 - Eligibility of a dependent, such as a dependent losing eligibility because of age
 - Your residence or that of a family member
 - Your domestic partnership
2. Changes in cost or coverage, such as
 - An increase in premium cost that you pay
 - Reduction in your spouse's or domestic partner's group health insurance plan benefits provided by an employer
 - A reduction or a loss of plan coverage
3. Changes by law or court order, such as National Medical Support Notice, Medicare, or HIPAA

Midyear changes that affect eligibility for dependent care flexible spending accounts

- You marry and gain children as dependents
- Your spouse dies, or you divorce or have a legal separation or annulment, and this affects the need for dependent care
- Your biological child is born, you adopt a child, or a child is placed with you for adoption
- A dependent child dies
- A child becomes eligible as a dependent for coverage under your benefits
- A child is no longer eligible as a dependent for coverage under your benefits
- Your employment status changes
- Your spouse's employment status changes
- You experience a change in cost or coverage of dependent care.

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Midyear changes that affect eligibility for health care flexible spending accounts

- You marry
- Your spouse dies, you divorce or your marriage is annulled
- Your biological child is born; you adopt a child or a child is placed with you for adoption
- A dependent child dies
- A child becomes eligible as a dependent for coverage under your benefits
- A child is no longer eligible as a dependent for coverage under your benefits
- Your or your spouse's employment changes, and the change affects your health care flexible spending account eligibility

Appendix A (<http://www.oregon.gov/DAS/PEBB/docs/SPD/QSCmatrix.pdf>) details QSCs and consistent benefit changes that may be made.

Individuals No Longer Eligible for Coverage

An employee can experience a qualified midyear change event that will permit or require the employee to request a termination of coverage for other individuals on their healthcare coverage. The employee's request for any coverage termination for an individual must be submitted within 30 days of the qualifying midyear change event, and submitted to the employee's agency on the appropriate forms.

(a) When an employee experiences a qualifying midyear change that permits the employee to remove an individual from coverage, but does not require the employee to terminate the coverage due to a loss of eligibility agencies must terminate the coverage prospectively. Coverage ends prospectively, the last day of the month following receipt of the appropriate forms. Submission of the forms beyond 30 days will result in a denial of the termination and the employee must wait until open enrollment to end the coverage.

Example: Bill currently provides PEBB coverage for his 22-year-old son, Mark. On May 5th Mark starts a new job that provides him with health care coverage. Bill can continue Mark's PEBB coverage, or based on the qualified midyear event of "Gain of Coverage Eligibility under Another Employer's Plans" Bill can terminate the coverage. Bill decides to terminate coverage for Mark and submits a midyear change form to his agency on June 1. (Within 30 days of the event date) The agency will terminate Mark's coverage effective June 30.

(b) An employee must request termination of coverage for an individual receiving PEBB coverage under their enrollments that becomes ineligible for the coverage. Examples of individuals who no longer meet eligibility and require termination from coverage include, but are not limited to, an ex-spouse, ex-domestic partner, a child by affidavit no longer eligible due to age limitation within the legal responsibility document, and a disabled child who no longer meets criteria. Agencies will terminate an ineligible individual's coverage prospectively, coverage ends the last day of the month following receipt of the appropriate forms from the employee. The exception to prospective termination is termination of coverage for an ex-spouse, ex-domestic partner, and their children who are not biological children or adopted children of the employee, in which case PEBB coverage must terminate retroactively to the last day of the month that the eligibility is lost. PEBB must process and complete all retroactive terminations.

Example 1: Ann's divorce is final on June 6. On June 22, she submits the correct change form to her agency to remove her ex-spouse from coverage. The agency can process Ann's former spouse's termination from PEBB coverage effective June 30.

Example 2: Mary's divorce is final on June 15. On July 1, Mary submits the correct change forms to her agency to remove her ex-spouse from coverage. The notification to the agency is in the month following the date of divorce however it is within the allowable 30 days of the event date. The ex-spouse coverage must terminate retroactively. The agency will send Mary's forms to PEBB to process, coverage will terminate June 30.

An ineligible individual will receive a COBRA availability notice when the coverage terminates within 60 days from eligibility loss.

Late Requests for Terminations: PEBB must receive all employee requests for termination of coverage of ineligible individuals beyond the allowable 30 days. PEBB will follow either (a) or (b) above in determining the correct termination date for the ineligible individual.

An employee's failure to report a family member's or domestic partner's loss of eligibility during the 12-month period before the start of each annual open enrollment period can result in civil or criminal charges against the employee for fraud or the intent to misrepresent the material facts of enrollment. To the extent allowed by law, PEBB may rescind coverage back to the last day of the month of the plan year when eligibility