Title: Correcting employing agency enrollment errors

Policy 11-3

Contact:	Rules Specialist, PEB Division	**Effective:**	January 1, 2016
		Rescinded:	
Associated RCW:	41.05.008 41.05.009 41.05.014 41.05.050 (1), (3)-(4) 41.05.065 41.05.160	**Supersedes:**	
Associated WAC:	182-08-187		
Assoc. fed law/reg:		**Owner:**	Policy & Rules Manager, PEB Division
Associated Procedures:			
Associated Forms & Communication		**Approved by:**	
		Position:	PEB Director, PEB Division
		Date approved:	11/30/15

Purpose:

This policy clarifies the requirements placed on an employing agency when the employing agency corrects its enrollment errors as described in WAC 182-08-187.

Policy:

1. An employing agency must correct enrollment errors as described in WAC 182-08-187 and as described in this policy. As defined in WAC 182-08-015, "'employing agency' means a division, department, or separate agency of state government, including an institution of higher education; a county, municipality, school district, educational service district, or other political subdivision; charter school; or a tribal government covered by chapter 41.05 RCW."

2. If an employing agency fails to timely enroll an employee, or his or her dependent, in Public Employees Benefits Board (PEBB) benefits, then the employing agency must correct the error. The employing agency must enroll the coverage the employee elected when correcting enrollment and related premium payments and any applicable premium surcharges as described in WAC 182-08-187 (1) and (2).

   "Timely" in this subsection means the enrollment was entered by the employing agency within the lower limit date.

   The "lower limit date" is three calendar months before the current process month. For example, if the current process month is June, three calendar months before would be March; therefore, the lower limit date for enrollment would be March 1.

"Current process month" identifies the specific period of time for which the insurance system is billing an agency. The begin and end date of an agency's current process month depends on which one of the three invoicing cycles the agency is in.

3. If an employing agency fails to notify an employee of his or her eligibility for PEBB benefits and the employer contribution as described in WAC 182-12-113 or the employer group contract, before the end of the employee's thirty-one day election period, then the employing agency must correct the error. The employing agency must provide the employee a written notice of eligibility for PEBB benefits, offer a new enrollment period and correct enrollment, premium payments, and applicable premium surcharges as described in WAC 182-08-187 (1) and (2).

4. If an employing agency fails to accurately enroll an employee in PEBB benefits as elected in the required forms or apply the applicable surcharges as attested in the required forms, then the employing agency must correct the error. The employing agency must enroll the coverage the employee elected and accurately reflect the employee's premium surcharge attestations when correcting enrollment and related premium payments and applicable premium surcharges as described in WAC 182-08-187 (1) and (2).

5. If an employing agency fails to accurately enroll an employee in Uniform Medical Plan Classic, Uniform Dental Plan, basic life insurance, and basic long-term disability insurance coverage, and apply the tobacco use surcharge status as described in WAC 182-08-197 (1)(b) when the employee fails to return the required employee forms within required time limits, then the employing agency must correct the error. The employing agency must enroll the employee as described in WAC 182-08-197 (1)(b) when correcting enrollment and related premium payments and applicable premium surcharges as described in WAC 182-08-187 (1) and (2).

6. If an employing agency fails to accurately enroll an employee in optional long-term disability (LTD) insurance coverage as elected, then the employing agency must correct the error as follows:

    a. Enroll the employee in his or her elected LTD coverage back to the correct effective date of coverage; and,

    b. Collect all applicable LTD premiums as described in WAC 182-08-187 (2)(b).

7. If an employing agency fails to accurately enroll an employee in optional life insurance coverage (referred to as "supplemental" life insurance in the *Life and Accidental Death & Dismemberment Insurance Program* booklet) as elected, then the employing agency must address the error as follows:

    a. Errors made before April 1, 2012 will not be corrected. Coverage in effect on April 1, 2012 is considered to be correct.

    b. Errors made after April 1, 2012, and discovered <u>before the time of a claim</u>, must be corrected as follows:

        i. If the employee elected a higher amount of coverage than the amount that was entered, the error must be corrected back to the correct effective date of coverage:

        The employee may decrease coverage to the amount entered in error; or

The employee may increase coverage to the originally elected amount if no evidence of insurability (EOI) was required; or, with proof of approved EOI. Back premiums must be paid to increase coverage. Coverage is effective back to the correct effective date after payment for the originally elected amount is received.

ii. If the employee elected a lower amount of coverage than the amount that was entered, the error must be corrected back to the correct effective date of coverage:

The vendor must refund premiums up to 24 months. The employee's employing agency must refund any premium amount owed beyond 24 months.

iii. If the employee was not eligible for some portion of the amount of coverage that was entered, the error must be corrected back to the correct effective date of coverage:

The vendor must refund premiums up to 24 months. The employee's employing agency must refund any premium amount owed beyond 24 months. The employee may apply for optional life insurance coverage by submitting EOI through the vendor's usual process.

iv. If the employee was not eligible for any portion of coverage that was entered, the error must be corrected back to the correct effective date of coverage:

The vendor must refund premiums up to 24 months. The employee's employing agency must refund any premium amount owed beyond 24 months.

c. Errors made after April 1, 2012, and discovered <u>at the time of a claim</u>, must be corrected as follows:

i. If the employee elected a higher amount of coverage than the amount that was entered:

The benefit paid by the vendor will equal the amount the employee originally elected if EOI was not required. The benefit paid by the vendor will equal the amount the employee originally elected up to the amount medically underwritten if EOI was required.

The beneficiary must pay any difference between premiums paid and actual premiums due for coverage, equal to the amount of the benefit paid by the vendor.

ii. If the employee elected a lower amount of coverage than the amount that was entered, the vendor must pay the amount that was entered in error if premiums were paid for that amount.

iii. If an employing agency enrolls an employee in optional life insurance coverage when the employee was not eligible for optional life insurance coverage, the employing agency must correct the error according to instructions from PEBB.

8. "Recourse" as described in WAC 182-08-187 (3) requires an employing agency to work with the employee and the Health Care Authority (HCA) to implement retroactive insurance coverage when the employing agency makes an enrollment error.

    a. An employing agency must determine which of the options described in WAC 182-08-187 (3)(a) best provides recourse for the employee's unique circumstance.

    b. An employing agency must document the recourse solution and provide a copy to the HCA for approval. A recourse solution may not be implemented until approved by the HCA.

    c. An employing agency must provide a copy of the approved recourse solution to both the employee and the HCA.

    d. An employee who does not agree with a recourse decision of the employing agency or the HCA may appeal the decision by submitting an appeal within 30 days as described in chapter 182-16 WAC.