

## Correcting Enrollment Errors –

An employing agency that fails to timely\* enroll an employee or his or her dependent in PEBB benefits must correct the error as described in WAC 182-08-187 and Policy 11-3.

*\*Timely means an 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. Refer to the [Lower Limit and Current Process Month Calendar](#) on the Perspay website, Quick Reference Guide page.*

*“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.*

An agency must correct a failure to notify an employee timely of his or her eligibility for PEBB benefits and the employer contribution; or a failure to accurately enroll insurance coverage; or a failure to accurately enroll insurance coverage as required by WAC 182-08-197(1)(b); or a failure to accurately reflect premium surcharge status.

Errors include:

- A. [Failure to notify an employee within 31 days of his or her eligibility for PEBB benefits](#)
  - a. [Newly eligible employees](#)
  - b. [Employees regaining eligibility for the employer contribution](#)
- B. [Failure to accurately enroll insurance coverage](#)
- C. [Failure to accurately enroll insurance coverage as required by WAC 182-08-197\(1\)\(b\)](#)
- D. [Failure to accurately enroll supplemental life insurance](#)
  - a. Errors made before April 1, 2012
  - b. Errors made after April 1, 2012 and discovered before a claim is filed
  - c. Errors made after April 1, 2012 and discovered after a claim is filed
- E. [Failure to accurately enroll optional long-term disability \(LTD\) insurance](#)

The employing agency must document the recourse solution and provide a copy to the PEBB Program for approval. A recourse solution may not be implemented until approved by the PEBB Program.

**Note:** *If the error is a failure to terminate coverage timely, [Policy 19-1](#), [Addendum 19-1A](#) applies. Terminate coverage according to the policy.*

### **Premium Payments and Premium Refunds:**

The employing agency must remit the employer and employee contributions for health plan premiums, premium surcharges, basic life and basic LTD from the date insurance coverage begins.

#### **Premium Payments**

- The employing agency must remit to HCA the employer contribution and the employee contribution for health plan premiums, premium surcharges, basic life, and basic LTD from the date insurance coverage begins.
  - If a state agency failed to notify a newly eligible employee timely of his or her eligibility for PEBB benefits, the state agency may only collect the employee contribution for health plan

premiums and premium surcharges for coverage for months following notification of a new enrollment period. (WAC 182-08-187(2)(a))

- If an employee elects optional coverage and the employing agency fails to correctly enroll the amount of supplemental life insurance or optional long-term disability coverage:
  - When additional premiums are due, the employee is responsible for payment of premiums for the most recent 24 months of coverage. The employing agency is responsible for additional months of premiums.
  - When premium refunds are due to the employee, the carrier is responsible for premium refunds for the most recent 24 months of coverage. The employing agency is responsible for additional months of premium refunds.

**Recourse:**

When retroactive correction of an enrollment error occurs, the employing agency must work with the employee and the PEBB Program to implement retroactive insurance coverage within the following parameters:

- Retroactive enrollment in PEBB health plan;
- Reimbursement of claims paid;
- Reimbursement of amounts paid for medical and dental premiums; or
- Other recourse, upon approval by the PEBB Program

Recourse must not contradict a specific provision of federal law or statute and does not apply to requests for non-covered services or in the case of an individual who is not eligible for PEBB benefits.

## **Error Correction Process –**

### **A. Failure to notify an employee within 31 day enrollment period of his or her eligibility for PEBB benefits:**

*Note: This process applies when the error is discovered beyond the lower limit date.*

If the employer failed to provide the notice required in WAC 182-12-113 or the employer group contract before the end of the employee’s 31 day enrollment period, the employing agency must provide the employee a written notice of eligibility for PEBB benefits and offer a new enrollment period.

#### **Process:**

1. The employing agency must notify PEBB Outreach and Training (O&T) of the error through [FUZE](#).
2. PEBB O&T will work with the employing agency to provide written notification to the employee offering a new 31 day election period and recourse, as appropriate.
  - The employing agency must work with the employee and the PEBB Program to determine which recourse option best provides recourse for the employee’s unique situation.
  - The employing agency must document the recourse solution and provide a copy of the solution with the initial notification to the PEBB Program for approval. A recourse solution may not be implemented until approved by the PEBB Program.
  - Once approved by the PEBB Program, the employee must acknowledge the agreed upon solution by signing the letter or responding to the email outlining the solution.
  - The employing agency must provide a copy of the acknowledged recourse solution to the employee and the PEBB Program.
3. Once the PEBB Program receives a copy of the signed recourse solution:
  - If the effective date is within the lower limit date, the agency may key enrollment. *Note: The original effective date must be noted in the Pay1 system for life and LTD. Notify PEBB through FUZE to update the Basic Life/LTD Date and the Supp Life and Opt LTD fields, the employee agrees to pay the back premiums for optional coverage.*
  - If the effective date is beyond the lower limit date, send a FUZE to PEBB O&T for entry into the insurance system.
4. An employee who does not agree with the recourse decision of the employing agency or the PEBB Program may appeal the decision by submitting an appeal within 30 days as described in WAC 182-16.

#### **Effective Dates of Coverage:**

***Failure to notify a newly eligible employee before the end of the employee’s 31-day election period:***

<b><i>If employee returns the enrollment forms within new 31-day/60-day election period:</i></b>	
Medical and Dental	Enrollment is effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment correction is effective that day. <i>Note: Recourse effective dates – Employee may select the first day of any month from</i>

	<i>the original eligibility effective date to the first day of the month following notification, unless the notification was on the first day of the month, then that day.</i>
Basic Life and LTD	Enrollment is effective retroactive to the first day of the month following the day the employee became newly eligible. If the employee became newly eligible on the first working day of the month, coverage begins on that date.
Supplemental Life and Optional LTD	Enrollment is effective retroactive to the first day of the month following the day the employee became newly eligible provided back premiums are paid by the employee.
Medical FSA and DCAP <i>(state agencies and higher education institutions only)</i>	Enrollment is limited to three months prior to the date the enrollment is processed, but not earlier than the current plan year or the employee's original effective date.
Premium Surcharges	Enrollment is effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment correction is effective that day.
<b><i>If employee does not return forms within the new 31-day/60-day election period:</i></b>	
Medical and Dental	Enroll the employee in Uniform Medical Plan and Uniform Dental Plan as a single subscriber effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment is effective that day.
Basic Life and LTD	Enrollment is effective retroactive to the first day of the month following the day the employee became newly eligible. If the employee became newly eligible on the first working day of the month, coverage begins that day.
Supplemental Life and Optional LTD	The employee must provide evidence of insurability for any requested supplemental life and optional LTD coverage. Pend the requested coverage in the insurance system for approval. Coverage is effective the first day of the month following carrier approval.
Premium Surcharges	The premium surcharge effective date is the same date as PEBB medical begins. WAC 182-08-185(1)(a)(i).

***Failure to notify an employee regaining eligibility for the employer contribution before the end of the 31-day election period:***

<b><i>If employee returns the enrollment forms within new 31-day election period:</i></b>	
Medical and Dental	<p>Enrollment is effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment correction is effective that day.</p> <p><i>Note: Recourse effective dates – Employee may select the first day of any month from the original eligibility effective date to the first day of the month following notification, unless the notification was on the first day of the month, then the effective date is that day.</i></p>

Basic Life and LTD	Enrollment is effective retroactive to the first day of the month the employee regained eligibility for the employer contribution.
Supplemental Life and Optional LTD	<p>Enrollment is effective as follows:</p> <ul style="list-style-type: none"> <li>• The first day of the month the employee regained eligibility, at the same level of coverage the employee continued during the period of leave, without evidence of insurability.</li> <li>• If the employee was not eligible to continue optional LTD insurance during the period of leave, optional LTD coverage is reinstated the first day of the month the employee regained eligibility, at the level of coverage the employee was enrolled in prior to the period of leave, without evidence of insurability provided back premiums are paid by the employee.</li> <li>• If the employee was eligible to continue supplemental life and/or optional LTD insurance during the period of leave but did not, the employee must provide evidence of insurability and receive approval from the carrier. Pending the requested coverage in the insurance system for approval. Coverage is effective the first of the month following carrier approval.</li> </ul>
Medical FSA and DCAP <i>(state agencies and higher education institutions only)</i>	<p>The employee may adjust his or her election as follows:</p> <ul style="list-style-type: none"> <li>• The employee may participate at the amount originally elected with a corresponding increase in contributions for the balance of the plan year, or</li> <li>• Participate at a reduced amount for the plan year by maintaining the per-pay period contribution.</li> </ul>
Premium Surcharges	Enrollment is effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment correction is effective that day.
<b><i>If employee does not return forms within the new 31-day election period:</i></b>	
Medical and Dental	Enroll the employee in Uniform Medical Plan and Uniform Dental Plan as a single subscriber effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment is effective that day.
Basic Life and LTD	Enrollment is effective retroactive to the first day of the month following the day the employee regained eligibility for the employer contribution.
Supplemental Life and Optional LTD	The employee must provide evidence of insurability for any supplemental life and optional LTD. Pending the requested coverage in the insurance system for approval. Coverage is effective the first day of the month following carrier approval.
Premium Surcharges	The premium surcharge effective date is the same date as PEBB medical begins. WAC 182-08-185(1)(a)(i)

**B. Failure to accurately enroll insurance coverage:**

*(e.g., employee submitted enrollment forms timely and enrollment was not entered into the insurance system; incorrect enrollment was entered into the insurance system, etc.)*

*Note: This process applies when the error is discovered beyond the lower limit date.*

**Process**

1. The employing agency must notify PEBB Outreach and Training (O&T) of the error through [FUZE](#).
2. PEBB O&T will work with the employing agency to provide written notification to the employee and recourse, as appropriate.
  - The employing agency must work with the employee and the PEBB Program to determine which recourse option best provides recourse for the employee’s unique situation.
  - The employing agency must document the recourse solution and provide a copy of the solution with the initial notification to the PEBB Program for approval. A recourse solution may not be implemented until approved by the PEBB Program.
  - Once approved by the PEBB Program, the employee must acknowledge the agreed upon solution by signing the letter or responding to the email outlining the solution.
  - The employing agency must provide a copy of the acknowledged recourse solution to the employee and the PEBB Program.
3. Once the PEBB Program receives a copy of the signed recourse solution:
  - If the effective date is within the lower limit date, the agency may key enrollment. *Note: The original effective date must be noted in the Pay1 system for life and LTD. Notify PEBB through FUZE to update the Basic Life/LTD Date and the Supp Life and Opt LTD fields, the employee agrees to pay the back premiums for optional coverage.*
  - If the effective date is beyond the lower limit date, send a FUZE to PEBB O&T for entry into the insurance system.
4. An employee who does not agree with the recourse decision of the employing agency or the PEBB Program may appeal the decision by submitting an appeal within 30 days as described in WAC 182-16.

**Effective Dates of Correction:**

<b>Enrollment is corrected as follows:</b>	
Medical and Dental	Enrollment is effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment correction is effective that day. <i>Note: Recourse effective dates – Employee may select the first day of any month from the original effective date to the first day of the month following notification, unless the notification was on the first day of the month, then the effective date is that day.</i>
Basic Life and LTD Supplemental Life and Optional LTD	See the Life Insurance and the LTD Insurance sections of this document for instructions on correcting enrollment errors.
Medical FSA and DCAP	The employee may adjust his or her election as follows:

<i>(state agencies and higher education institutions only)</i>	<ul style="list-style-type: none"> <li>• The employee may either participate at the original election amount with a corresponding increase in contributions, or</li> <li>• The employee may participate at a reduced amount by maintaining the per-pay period contribution in effect.</li> </ul>
Premium Surcharges	<p>For newly eligible employees or an employee regaining eligibility:</p> <ul style="list-style-type: none"> <li>• The premium surcharge effective date is the same date as PEBB medical begins. WAC 182-08-185(1)(a)(i)</li> </ul> <p>For a change in status of the premium surcharge:</p> <ul style="list-style-type: none"> <li>• A change that results in a premium surcharge will begin the first day of the month following the status change. If that day is the first of the month, the change begins that day.</li> <li>• A change that results in removing the surcharge will begin the first day of the month following receipt of the attestation. If that day is the first of the month, the change begins that day.</li> </ul>

**C. Failure to accurately enroll insurance coverage as required by WAC 182-08-197(1)(b):**

*(e.g., employee not defaulted in the insurance system when forms were not received or were received after the enrollment period)*

*Note: This process applies when the error is discovered beyond the lower limit date.*

**Process:**

1. The employing agency must notify PEBB Outreach and Training (O&T) of the error through [FUZE](#).
2. PEBB O&T will work with the employing agency to provide written notification to the employee and recourse, as appropriate.
  - The employing agency must work with the employee and the PEBB Program to determine which recourse option best provides recourse for the employee’s unique situation.
  - The employing agency must document the recourse solution and provide a copy of the solution with the initial notification to the PEBB Program for approval. A recourse solution may not be implemented until approved by the PEBB Program.
  - Once approved by the PEBB Program, the employee must acknowledge the agreed upon solution by signing the letter or responding to the email outlining the solution.
  - The employing agency must provide a copy of the acknowledged recourse solution to the employee and the PEBB Program.
3. Once the PEBB Program receives a copy of the signed recourse solution:
  - If the effective date is within the lower limit date, the agency may key enrollment. *Note: The original effective date must be noted in the Pay1 system for life and LTD. Notify PEBB through FUZE to update the Basic Life/LTD Date and the Supp Life and Opt LTD fields, if the employee agrees to pay the back premiums for optional coverage.*
  - If the effective date is beyond the lower limit date, send a FUZE to PEBB O&T for entry into the insurance system.

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

**Effective Dates of Correction:**

<b>Enrollment is corrected as follows:</b>	
Medical and Dental	Enrollment is effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment correction is effective that day. <i>Note: Recourse effective dates – Employee may select the first day of any month from the original effective date to the first of the month following notification, unless the notification was on the first day of the month, then the effective date is that day.</i>
Basic Life and LTD	Enrollment is effective retroactive to the first day of the month following the day the employee became newly eligible or regained eligibility for the employer contribution.
Supplemental Life and Optional LTD	The employee must provide evidence of insurability for any supplemental life and optional LTD. Pending the requested coverage in the insurance system for approval. Coverage is effective the first day of the month following carrier approval.
Premium Surcharges	Enrollment is effective the first day of the month following the date the error is identified, unless the PEBB Program determines additional recourse is warranted. If the enrollment error is identified on the first day of the month, the enrollment correction is effective that day.

**D. Failure to accurately enroll supplemental life insurance:**

*Note: This process applies when the error is discovered beyond the lower limit date.*

**Process and Effective Dates:**

1. The employing agency must notify PEBB Outreach and Training (O&T) of the error through [FUZE](#).
2. Complete the Life Insurance Correction form, available on the [Forms](#) page of the Perspay website.
3. Provide a copy of the form to the employee, file a copy of the form and supporting documentation for your records, and send the original form to PEBB Outreach & Training through FUZE.
4. Premiums:
  - If the corrected error results in a higher coverage amount, collect premiums as follows: When additional premiums are due, the employee is responsible for premiums for the most recent 24 months of coverage. The employing agency is responsible for additional months of premiums.
  - If the corrected error results in a lower coverage amount (including no coverage), refund the overpaid premiums to the employee as follows: When premium refunds are due to the

employee, the carrier is responsible for premium refunds for the most recent 24 months of coverage. The employing agency is responsible for additional months of premium refunds.

5. An employee who does not agree with the decision of the employing agency or the PEBB Program may appeal the decision by submitting an appeal within 30 days as described in WAC 182-16.

- a. **Errors made before April 1, 2012**

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 before a claim is filed**

1. **Employee elected a higher amount of coverage than the amount entered:**

The error must be corrected back to the correct effective date of coverage.

- i. The employee may decrease coverage to the amount entered in error; or
- ii. The employee may increase coverage to the originally elected amount, if no evidence of insurability was required or with proof of approved evidence of insurability.
  - Coverage is effective back to the correct effective date after payment for the originally elected amount is received.

2. **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.

- i. The carrier must refund premiums up to 24 months. Notify PEBB for refund of premiums from the carrier.
- ii. The employing agency must refund any premium amount owed beyond 24 months.

3. **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.

- i. The carrier must refund premiums for up to 24 months. Notify PEBB for refund of premiums from the carrier.
- ii. The employing agency must refund any premium owed beyond 24 months.
- iii. The employee may apply for supplemental life insurance coverage by submitting evidence of insurability to the carrier for approval.

4. **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.

- i. The carrier must refund premiums up to 24 months. Notify PEBB for refund of premiums from the carrier.
- ii. The employing agency must refund any premium amount owed beyond 24 months.

- c. **Errors made after April 1, 2012 and discovered at the time of a claim**

1. **Employee elected a higher amount of coverage than the amount that was entered:**

- i. The benefit paid by the carrier will equal the amount the employee originally elected if evidence of insurability was not required.
  - ii. The benefit paid by the carrier will equal the amount the employee originally elected up to the amount approved if evidence of insurability was required.
  - iii. 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 carrier.
- 2. **Employee elected a lower amount of coverage than the amount that was entered:**
  - i. The carrier must pay the amount that was entered in error if premiums were paid for that amount.
- 3. **Employee was enrolled in supplemental life insurance when the employee was not eligible:**
  - i. The employer must correct the error according to instructions from PEBB.

**E. Failure to accurately enroll optional long-term disability (LTD) insurance:**

*Note: This process applies when the error is discovered beyond the lower limit date.*

**Process and Effective Dates:**

1. The employing agency must notify PEBB Outreach and Training (O&T) of the error through [FUZE](#).
2. Complete the Long-Term Disability Insurance Correction form, available on the [Forms](#) page of the Perspay website.
3. Provide a copy of the form to the employee, file a copy of the form and supporting documentation for your records, and send the original form to PEBB Outreach and Training through FUZE.
4. Enroll the employee in his or her elected LTD coverage back to the correct effective date of coverage.
  - If the corrected error results in a higher coverage amount, the employee is responsible for premiums for the most recent twenty-four months of coverage. The employing agency is responsible for additional months of premiums.
  - If the corrected error results in a lower coverage amount (including no coverage), refund the overpaid premiums to the employee. If the correction requires a refund, the carrier will refund for the most recent 24 months of coverage as a premium credit to the employer. Notify PEBB for refund of premiums from the carrier.
5. An employee who does not agree with the decision of the employing agency or the PEBB Program may appeal the decision by submitting an appeal within 30 days as described in WAC 182-16.

*References: [WAC 182-08-187](#), [Policy 11-3](#), [Policy 19-1](#), [Addendum 19-1A](#)*