



Washington State Health Care Authority
Public Employees Benefits Board

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Washington State Health Care Authority
PEBB Employer Notice Number 17-01

Date: September 29, 2017

Applies to: All State Agencies, Four-Year Higher-Education Institutions, and Community and Technical Colleges

Subject: All Party Responsibilities for medical Flexible Spending Arrangement (FSA) and Dependent Care Assistance Program (DCAP) in 2018

The Health Care Authority (HCA) will continue its contract with Navia Benefit Solutions for Plan Year 2018 to administer the Dependent Care Assistance Program (DCAP) and the medical Flexible Spending Arrangement (FSA).

The employee medical FSA maximum contribution amount for 2018 will increase to \$2,600 with a minimum enrollment amount of \$240. The amount is set by the health reform legislation in the Patient Protection and Affordable Care Act (PPACA).

The employer administrative fee for DCAP and medical FSA for 2018 will increase to \$2.00 per participant per month. Forfeitures are retained in the HCA administrative fund and will continue to be used to determine the administrative fee that HCA charges agencies.

Employers may use the FICA savings to pay the administrative fees. **If a participant enrolls in both the medical FSA and DCAP programs, HCA will only charge the employer one administrative fee of \$2.00 per participant per month.** The HCA will bill each agency quarterly.

This notice lists the responsibilities of the medical FSA and DCAP administrator, Navia Benefit Solutions, the state and higher-education payroll systems, the employing state agencies, four-year higher education institutions, the community and technical colleges, and the HCA.

Medical FSA/DCAP Administrator Responsibilities

Navia Benefit Solutions will:

- Provide paper and online enrollment (via their website) during the Public Employees Benefits Board Program (PEBB) Program annual open enrollment period (November 1-30).
- Assist with enrollment activities by providing general information and customer support to employees on its Website (pebb.naviabenefits.com) and toll-free phone number (1-800-669-3539).
- Participate in several PEBB Program annual open enrollment benefit fairs sponsored by the HCA.
- Accept employees' eligibility documentation from their employing agencies.
- Check employees' enrollment forms and deduction amounts, and transmit the deduction amounts to the appropriate payroll system for each employing agency.
- Offer a medical FSA debit card (Navia Benefits Card) for participants to use when they incur medical expenses. **Debit cards are not available for the DCAP program.**
- Offer fax numbers (1-425-451-7002 or toll-free 1-866-535-9227) to send claims and other correspondence.
- Process and pay claims.
- Provide the HCA with monthly bank account reconciliations, annual forfeiture reports, and other reports as needed.

Agency Payroll Systems' Responsibilities

The state central payroll and higher-education payroll systems will:

- Provide eligibility documentation related to each state agency and higher-education institution's employees directly to Navia Benefit Solutions.
- Receive and process payroll deduction files from Navia Benefit Solutions.
- Deposit actual dollars collected from medical FSA and/or DCAP payroll deductions in account 165 for DCAP and medical FSA.
- Transmit medical FSA and/or DCAP payroll deduction detail information to Navia Benefit Solutions.
- Provide all employee data needed to complete the annual IRS mandated non-discrimination testing to Navia Benefit Solutions.

Employing Agencies' Responsibilities

Each agency will:

- Provide timely and accurate reconciliations of all employees' eligibility and enrollment discrepancies upon Navia Benefit Solutions request.
- Provide medical FSA and DCAP enrollment forms and educational materials to their employees upon request. These materials can be downloaded and printed from Navia Benefit Solutions Web site at pebb.naviabenefits.com.
- Pay an administrative fee of \$2.00 per participant per month. HCA will bill each agency quarterly. Agencies will pay on time as instructed by HCA.
- Participate in evaluation meetings held by HCA, if appropriate, to discuss Navia Benefit Solutions performance.

HCA's Responsibilities

The HCA will:

- Manage the administration of the medical FSA and DCAP programs consistent with Chapter 41.05 RCW.
- Communicate medical FSA and DCAP programs and the PEBB Program annual open enrollment information to all eligible employees.
- Provide a medical FSA and DCAP summary in the Employee Enrollment Guide.
- Determine annually the required medical FSA and/or DCAP program administrative fee to charge to the agencies.
- Invoice agencies for the monthly medical FSA and/or DCAP program administrative fee. The HCA will bill each agency quarterly.
- Pay Navia Benefit Solutions the administrative fee in the contract between Navia Benefit Solutions and HCA.
- Monitor monthly bank account reconciliations and annual forfeiture reports produced by Navia Benefit Solutions. The HCA will pay any deficits that might occur from the state's medical flexible spending arrangement, established in 2005.
- Schedule evaluation meetings, if appropriate, with state agency and higher-education employers to discuss Navia Benefit Solutions' performance.

Contact Information:

If you have any questions, please contact Amy Corrigan, PEB Division Outreach and Training Manager, at 360-725-0826, or amy.corrigan@hca.wa.gov.