

Valley View School District 365U

Working Spouse Eligibility For Health Insurance FAQ

WHAT

What are other employers doing to keep health care coverage affordable?

With any design change, we consider what other employers are doing, as well as the impact to our employees. We reviewed a market study indicating that 35% of employers plan to exclude working spouses eligible for their own employer's coverage within a year, and we have seen specific examples of numerous public and private sector employers already limiting spousal eligibility as part of a growing trend.

What percentage of employees will be affected by VVSD's working spouse eligibility rules?

About 1,550 members are covered by the Plan today, and 807 of those members have spouses who are covered by our Plan. That works out to be about 47% of the 1,708 total members who potentially will be impacted. If your spouse isn't offered health benefits from his or her job, or doesn't work at all, you may continue to enroll your spouse in VVSD's medical coverage for next year. We do not have data on how many spouses are offered their own employer-sponsored health plan.

What do you mean by "medical" coverage? If my spouse is not eligible for VVSD medical benefits, can he/she still receive prescription drug, dental, and vision coverage?

Under the revised spousal eligibility rules, "medical" coverage also includes prescription drug, vision and behavioral health benefits; so your spouse would not have access to prescription drug benefits under our Plan. However, you may enroll him/her in dental; even if dental coverage options are available from your spouse's employer.

What are my working spouse's options for coverage after this year?

If your spouse works and is eligible for coverage from his or her own employer-regardless of whether they are actually enrolled in that coverage-your spouse is not eligible to participate in the VVSD medical coverage beginning 9/1/2015. Keep in mind that as of 2014, the Affordable Care Act legislation requires all employers, not just VVSD to meet minimum value and affordability and coverage requirements.

What do my working spouse and I need to do to get ready for this change?

Start by obtaining information about your spouse's employer plan:

- Annual enrollment period
- Review Summary of Benefits describing covered medical expenses
- The amount the plan will pay for covered expenses such as copay and coinsurance
- The amount you must pay for medical coverage

WHY

Why is VVSD changing the eligibility rules for working spouses?

This change is consistent with the way many large employers are responding to the costs associated with the Health Care Reform legislation. A working spouse is ineligible for the VVSD plan when he or she is eligible for medical coverage provided by his or her own employer. This allows VVSD to continue to provide its employees and their dependents with the coverage they need at an affordable cost.

WHO

Will my spouse no longer be covered by the Plan?

Only working spouses with medical benefits available from their own employer will lose eligibility for medical coverage under the VVSD insurance plan. If your spouse isn't offered health benefits from his or her job, or doesn't work at all, you may continue to maintain your spouse on VVSD's medical coverage plan by providing requested documentation.

My spouse is on Medicare. Can he still be enrolled in the Plan?

Yes, unless your spouse is also eligible for health care coverage from an employer. Medicare is not considered employer-provided coverage.

Will my children or stepchildren no longer be eligible for the Plan?

Children and stepchildren will continue to be eligible for the Plan as long as they continue to meet the eligibility requirements, as described in the Summary Plan Description.

What if a spouse is covered by his employer and loses his job? Does the spouse have to elect and exhaust COBRA coverage before being eligible for enrollment in the VVSD's plan?

No. A spouse is not required to elect COBRA from their previous employer. If a spouse loses coverage because he/she left his/her employer, the event qualifies as a "life event," and the spouse can be enrolled in the VVSD plan. The VVSD employee must contact VVSD's benefits representative-Mary Kelner, within 30 days of the day the spouse lost coverage from the former employer, so there won't be any break in coverage.

My spouse is currently between jobs. Can I enroll my spouse in the VVSD plan until he/she finds a job?

Yes, as long as he or she is not eligible for coverage from a previous employer. However, if at any time your spouse becomes employed and is offered medical coverage through their new employer, he or she is no longer eligible for the VVSD plan. You must call the VVSD's benefits representative-Mary Kelner within 30 days of the effective date when your spouse's employer sponsored coverage begins, to drop your spouse from your VVSD plan coverage.

My spouse works at a small company that doesn't provide health care benefits. Will my spouse automatically remain on the VVSD plan next year if my spouse doesn't enroll in any other coverage?

Every employee will be required to re-enroll during this year's annual enrollment period. Again if your spouse isn't offered health benefits from his or her job, or doesn't work at all, you may continue to maintain your spouse on VVSD's medical coverage plan by providing an affidavit stating no coverage is available

Whose employer's plan-my spouse's or mine-will cover our children?

If your spouse's employer provides coverage for an employee's children, and your children meet the eligibility requirements for both plans, you and your spouse will decide the plan in which you will enroll your children. If your child(ren) is covered under two plans, the *birthday rule* will apply.

HOW

How will Valley View verify that spouses are eligible for coverage?

Spouses will be included in the verification process that will take place immediately following annual enrollment. This will likely come in the form of a sworn affidavit in which you certify that your spouse does not have employer-sponsored healthcare available before enrolling the spouse in the VVSD plan. The District is working to create the affidavit and design the implementation and verification process.

Will my spouse have to find different doctors when he's covered by another plan?

Most physicians, hospitals, and other medical facilities participate in more than one network. It's possible that the providers you use now will be considered "in network" by your spouse's health plan. Your spouse will want to confirm that with their employer-sponsored or other plan.

How much will I pay for my coverage next year when my spouse isn't covered?

This will depend on if you continue to cover your dependents on the Valley View insurance plan.

WHEN

I will retire next year. Can my spouse be enrolled in the plan once I'm retired?

You may continue spousal coverage upon IMRF retirement if your spouse was covered at the time of your retirement. Your spouse may also pick up coverage if they lose coverage due to a major life event, if you are an IMRF covered retiree.

When can I find out my cost for myself and my children on the VVSD plan for next year?

As in previous years, you can take advantage of the annual enrollment preview period prior to the actual annual enrollment period during the month of December.

WHAT IF

...my spouse has medical coverage from her employer, but no coverage for prescription drugs? Can I enroll my spouse in my plan for those benefits?

No, because prescription drugs are covered under the medical benefits; and your spouse has medical coverage from his/her employer. Your spouse should contact the Human Resources group at his/her job to learn how his/her company advises employees to minimize out-of-pocket prescription drug expenses.

...my spouse is going to school part-time, and is covered under a health plan from the school? Does that mean my spouse is not eligible for our plan next year?

The new working spouse eligibility requirement applies only to spouses who are actively employed and are eligible for coverage from their employer. So the answer depends on whether your spouse is employed by the school and his/her coverage results from that employment; if so, your spouse is not eligible for the VVSD plan. If your spouse is receiving coverage as a student only, then he/she would be eligible for our plan.

...my spouse doesn't really have an "employer." He/She's an owner of his/her own company. Can I enroll him/her for medical coverage under the VVSD plan?

A working spouse may be an employee, owner, consultant, partner, or principal in a business. If medical coverage is available to your spouse through that working arrangement (whether or not they are enrolled), then your spouse is not eligible for medical coverage under the VVSD plan.

...my spouse has a pre-existing condition? Will her employer pay for health care related to that condition?

As a result of the Affordable Care Act, your spouse cannot be denied coverage under her employer's plan because of any pre-existing medical condition-even if she is currently being treated.

...my spouse's employer asks for proof that he/she's no longer eligible for the VVSD plan?

Even if your spouse's employer is not currently in an open enrollment period, IRS regulations require their employer to enroll an eligible employee who has lost outside coverage eligibility from another employer. There should be no break in the coverage period. Please request a Certificate of Creditable Coverage (CoCC) from BCBS at 1-800-548-1686. The certificate will serve as proof of prior coverage and termination date.

...what if my spouse enrolls in his/her employer's plan beginning January 2016, but becomes unemployed later that year?

Loss of outside medical coverage from your spouse's plan is considered by the IRS as a "qualified life event." You may enroll your spouse in VVSD plan if this happens, even if it occurs outside the open enrollment period. You must call VVSD's benefits representative-Mary Kelner, within 30 days to enroll your spouse in the plan, to avoid a break in coverage.

...my spouse has medical coverage from his/her employer, but not dental or vision. Can I enroll him/her in my plan for those benefits?

He/She is excluded from coverage in medical benefits, which include prescription drug and vision expenses. Dental would be available.

...my spouse and I are both VVSD employees? Does one of us have to find coverage outside the school district?

No. If you're married to a VVSD employee eligible for the VVSD health plan, during annual enrollment both of you will elect the Single Only coverage; except that, if you have children, one of you will elect Family coverage, and one spouse would be added to the Family plan as a dependent.

...my spouse will switch to the coverage available from his/her employer. What actions do I need to take?

No actions are necessary unless you as an employee will be changing from family to single coverage, or drop coverage entirely.