

Public Act 95-0958 Frequently Asked Questions

Eligibility/Membership

1. Does the Sponsored Adult Child category only apply to students?

No, there is no student requirement. This Public Act does not change the current definition of a dependent as stated in the Group Insurance Act, it only adds new categories that are now eligible.

2. Is a divorced adult child eligible?

Yes, the Act only states that they must be *unmarried*.

3. Can a pregnant adult child be covered?

Yes, but the newborn will not be eligible unless there is a court order naming the member as legal guardian or adoptive parent of the newborn.

4. Will the reinstatement policy be the same as it is currently with students? For example, if documentation is received within 30 days of the termination, we currently reinstate without a break in coverage.

Yes, the current reinstatement policy will remain.

5. Does the employment status of the member have any bearing on the eligibility to add an adult child?

No.

6. Will the current qualifying change in status rules apply to the new categories under the Public Act?

Yes.

7. The packet instructions state that pre-existing condition limitations will not apply during the initial Special Enrollment Period. Is this true for a qualifying change in family status as well?

No, the pre-existing condition limitation is applicable anytime an adult child is added after the initial Special Enrollment Period.

8. Will those dependents turning 23 prior to July 1, 2009, have a break in coverage?

Yes; however, they are eligible for COBRA in the interim.

9. Can an employee add a non-IRS dependent to dental coverage even if the employee does not have it, or does the dependent have to have the same coverage as the employee?

The dependent must have the same coverage as the member, i.e., current rules apply.

Public Act 95-0958 Frequently Asked Questions

10. Do employees have the opportunity to switch dependent coverage from Student to Sponsored Adult Child status if the dependent has graduated and meets eligibility criteria for Sponsored Adult Child?

Yes. New letters are being created which will automatically be sent to the members approximately 2 months prior to the maximum time allowed in the dependent category advising them of the options available.

11. How long will the member have to switch the dependent from one category to another?

The same process that is used currently for age 19 will be used for the new categories. If certification is not submitted by the end of the month of current eligibility, the dependent will have coverage terminated. The 30 day reinstatement policy will be applicable.

12. If an employee has a dependent who becomes eligible for one of these new categories, would it be considered a qualifying event?

Yes, employees can add a new eligible adult child within 60 days of the qualifying event that makes him/her eligible. If the request to add the adult child is not made within 60 days, the next opportunity would be during the next Benefit Choice Period.

13. Will the IRS Sponsored Adult Child receive the same benefits as a normal dependent under age 19 or 23?

Yes.

14. Please explain Student Military Extension dependent.

This is a group that is currently provided coverage if they had previously been called to active duty and then returned to school as a full-time student. Eligibility for this group is extended up to their 25th birthday. GID is currently processing and tracking these transactions. Note: The Student Military Extension is not a new category under the Public Act.

15. Is an adult child who is *currently* serving in the military and age 27 eligible as a Veteran Adult Child or a Sponsored Adult Child?

Due to the active military status, they are ineligible for the Veteran Adult Child, and since the age is over 25, they would not be eligible as a Sponsored Adult Child.

16. Will an active military person be eligible under the Public Act?

Yes, as a Sponsored Adult Child if they meet the age requirements (up to but not including age 26).

17. Can an adult child be added if he/she was previously eligible due to a legal guardianship or adjudication?

As long as the adult child was a previously eligible dependent, that adult child can now be added under the Public Act.

Public Act 95-0958 Frequently Asked Questions

18. Is there a limit of medical leave of absences (LOA) that a student can acquire before losing coverage?

No, but the Public Act indicates the individual must be enrolled in the Student category when the request to continue coverage in the Student Medical LOA category is made. The maximum length in the Student Medical LOA category is 12 months per occurrence.

19. Who determines if an illness is deemed catastrophic under the Student Medical LOA category? What must be provided?

A physician must provide a clinical certification of the student's medical leave of absence or the need to reduce to part-time status due to a catastrophic illness or injury. The physician's certification should include the word "catastrophic."

20. If the student has to take an LOA for a relative's catastrophic illness or injury, will he/she be eligible under the Student LOA category?

No, the Public Act requires that the *student* is certified as having a catastrophic illness or injury.

21. Will the full-time student who goes on a medical LOA be able to convert their life insurance?

The Student LOA category is not eligible for life coverage; however, these individuals will be able to convert the coverage within 31 days of going on an LOA.

22. If a member has opted out, can they enroll during the Special Enrollment Period?

The Special Enrollment Period is not an opportunity to opt in to health and dental coverage. However, since the Benefit Choice Period will run concurrently during May, the member can elect to opt in as a Benefit Choice election and add the adult child during the Special Enrollment Period. The opt in will have an effective date of July 1, 2009. The effective date of the adult child coverage will depend on the date the coverage is requested.

Residency Issues

1. Will an adult step-child (over age 18) who does not reside with the member be eligible?

Yes; the 50% residency requirement does not apply under the new categories. Therefore, a member could enroll a step-child who was previously ineligible due to the residency requirement as a Sponsored or Veteran Adult Child if the child meets the eligibility requirements.

2. Does the Non-IRS Sponsored Adult Child have to reside with the member in order to qualify?

No.

3. Can the dependent permanently live outside of the State of Illinois?

Illinois residency only applies to the Veteran Adult Child category.

Public Act 95-0958 Frequently Asked Questions

COBRA

1. Can a dependent who is currently enrolled in COBRA enroll as an Adult Child?

Yes, effective July 1, 2009.

2. Would they be offered COBRA at age 26?

Yes, as they have once again lost eligibility in the program.

Tax Issues

1. Can we provide employees with IRS Publication 501 regarding dependent qualifications as an aid in determining whether or not their dependent meets the IRS guidelines as a dependent?

Yes, but it is not required. We encourage you to use caution when providing tax information to employees, as the information you provide may lead to more tax-related questions which you may be unable to answer.

2. Documentation does not call for page 1 of the individual's 1040 to support IRS qualified dependent. Can we ask for this?

You can, but GID will not require it for enrollment; however, GID may ask for tax records if auditing the member's file.

3. What will determine who is randomly audited? For example, if we suspect abuse, can we report that employee and recommend an audit?

We have not yet established policy in conducting audits. However, any suspicion of abuse should be reported to GID and a review will be conducted.

4. How should we handle those dependents whose tax status changes during the year?

The tax status can only be changed upon notification by the member. If you are not notified, the semi-annual certification process is the means to update the dependent's status. If you are notified, the status of the adult child and the cost associated with the coverage for that adult child should be modified at the time of the notification.

5. If an employee is responsible for 100% of the cost for a non-IRS dependent, will it affect the cost they were originally paying for themselves and their IRS dependents?

No, the non-IRS adult child premium will simply be added to the amount the member is currently paying.

Public Act 95-0958

Frequently Asked Questions

Certification Issues

1. What is the Eligibility Certification Statement?

The Eligibility Certification Statement has been incorporated in the Initial Enrollment Form and has been renamed the “Special Enrollment Period - Eligibility Certification Statement.” The members will have to sign this form indicating the individual they are adding meets all of the eligibility requirements (including tax status). The updated form will be provided on the Benefits website closer to the start of the Special Enrollment Period, May 1.

2. Will those who just enrolled have to recertify their adult children during the fall certification period?

Not in the fall of 2009; beginning 2010, all dependents age 19 or over (excluding spouses) will be certified on a semi-annual basis (spring and fall).

3. Students who either graduate or decide not to enroll in the fall are currently termed during the semiannual recertification process. Will that policy remain?

Yes, we will continue with the current policy. Of course, the Student may be eligible to enroll in one of the new categories.

4. Will the current schedule for recertifications stay the same once the new categories are included?

Dependents in the Handicapped and ‘Other’ categories who are currently certified annually will change to a semi-annual certification beginning in the spring of 2010. The current semi-annual certification schedule for the other types of dependents will not change.

Payroll/Rates

1. Will the IRS Sponsored Adult Child dependent receive the same premiums as a normal dependent under age 19 or 23?

Yes.

2. When will GIRs receive the rates for non-IRS dependents?

The rates should be available before the Benefit Choice Period. Use the current rates as a guide, these rates are available on the GI Resources website <http://giresources.illinois.gov>. Another option to estimate the cost is to use the inquiry screen 5c in the Membership System. Change the type enrollee code to 6009 (personal leave of absence owing 100% of the cost of coverage) and 1 or 2+ dependents. The calculation for dependent coverage will reflect 100% of the cost based on current year rates. Contact GID if you need assistance.

3. If an employee covers more than one non-IRS adult child, will the rates for the dependent coverage be doubled?

No, the rate structure will be similar to the structure already in place: They will pay 100% of cost for 2 or more dependents.

Public Act 95-0958 Frequently Asked Questions

4. If a member has both a non-IRS adult child and a domestic partner enrolled, what premium would the member pay?

Domestic partners have a separate rate structure and are not currently charged 100% of the cost of coverage. The member would be charged 100% of the cost for dependent coverage for the non-IRS adult child plus the member rate for 1 dependent coverage for the domestic partner.

5. Will the imputed income for domestic partners be reported the same as it is currently, since the post-tax deductions will now be taken on payroll?

Yes, the same process will apply for imputed income.

6. I don't understand the possible requirement of completing a new payroll authorization card when a change in premium occurs.

Because this is a post-tax deduction, members will have to sign an authorization before premiums can be deducted. We are adding language to the eligibility certification form that will give payrolls the authority to change deduction amounts without the member having to complete a new authorization each year.

7. Will universities receive a new record layout for the payroll file sent to CMS that includes the post-tax field?

A new record layout was sent to university payroll administrators on January 27, 2009.

Coding Structure

1. Will there be new deduct codes?

There will be new dependent relationship codes on the Membership System for the new categories. The deduct codes for pre-tax deductions on payroll will maintain its current structure. The deductions for non-IRS adult children and domestic partners will be taken post tax in the 'miscellaneous' deduction field on payroll which has a different coding structure. Agency payroll administrators will be provided with coding information.

2. If an employee adds an adult child who is an IRS tax dependent and has no dependents, or one dependent on their insurance already, would the codes established under health and dental apply?

Yes, if they add an IRS dependent, the deductions will be taken pre-tax and the current carrier and deduct code structure would apply for payroll deductions. There will be new dependent codes for Membership, but not new deduct codes for payroll.

3. Will there be codes on Membership/GIFCS to indicate whether or not the dependent is IRS qualified?

The dependent relationship code on Membership will indicate IRS or non-IRS. We are currently working with our programmers to determine what type of indicator could be added to GIFCS and certain Membership inquiry screens.

Public Act 95-0958 Frequently Asked Questions

General Questions

1. Will there be a time when GIR/P's will be able to process these transactions online?

GID will process all initial enrollments. GIR/Ps will be able to process updates to these groups once they are enrolled.

2. Will CMS create a new report listing dependents who have been approved or denied for coverage under the new guidelines?

No; however, GIR/Ps will receive a verification form. GID will be notifying GIR/Ps via email anytime a request for coverage is denied.

3. Will there be MOBIUS reports for students who are termed?

Yes, the process will not change.

4. Were letters sent out to all members, including LOAs, etc.?

Yes.

5. Will screen 5C be updated to include premium amounts for non-IRS dependents once the new rates are known?

BCCS is working on incorporating the non-IRS dependent rates into the Membership System's screen 5C. Unfortunately, the timing will not be in line with the Special Enrollment Period.

6. What is going to stop employees from adding a dependent between the ages of 19-23 as an IRS Sponsored Adult Child, even though the child is a full-time student? It would be easier since they don't have to continue to verify the student status. Would there be a disadvantage for the member to have a sponsored child vs. a student?

The member could add the child in either of these categories after July 1st. The only advantage to adding them as a student is the ability to continue life coverage. Otherwise, no difference exists for the member. The Bureau of Benefits is reviewing the life coverage issue. The Public Act doesn't change the definition of the current dependent categories in the Group Insurance Act.

7. Will the Benefit Choice booklet include Adult Child enrollment information?

Since the Special Enrollment Period for the new categories is 90 days and we do not want to confuse members into thinking Benefit Choice will be 90 days, we will only include a short reference to the Public Act and refer members to the Benefits website to obtain the packet.

Public Act 95-0958 Frequently Asked Questions

8. Can we share this information with our group insurance liaisons?

You are encouraged to share this information with those who are in a position where they interact with members or potential members of the plan.

9. How will this affect MCAP/DCAP?

There is no impact on MCAP or DCAP. Eligibility under the health plan has no bearing with regard to MCAP/DCAP eligibility – only the tax status of the dependent matters. Therefore, employees will not be allowed to enroll, increase, decrease or revoke due to the Public Act.

10. Will the Public Act be covered during the Benefit Choice Seminars?

Yes.