

PEBB Administrative Changes *How They Impact You, the Employee*

The Public Employee Benefits Board (PEBB) recently revised its Oregon Administrative Rules (OARs) and implemented additional internal policies and procedures regarding the administration of the health insurance programs. PEBB indicates the changes are necessary to comply with the new federal regulations regarding healthcare reform. These changes became effective January 1, 2011. **These changes may have a direct impact on you and your dependents. Please read the following carefully.**

Changes include:

- Timeline reduced for new enrollments and for making changes during the year – **now 30 days with date of hire or date of eligibility if you experience a qualified status change (see below);**
- How you enroll in coverage – **some new hires can only use paper forms;**
- When coverage becomes effective – **no retroactive enrollments and/or changes;**
- Who processes enrollments and/or changes - **Employees, Office of Human Resources (OHR) Employee Benefits staff or PEBB staff; and**
- **Taxes on the “Imputed Value” of benefits received if ineligible dependents are not removed within the 30 day timeline.**

The following Questions/Answers represent our best understanding of the new rules and procedures at this time. We have requested clarification from PEBB on multiple issues, but have not received a response. If PEBB provides the requested clarifications, we will make any necessary updates to the Questions/Answers. Please note: PEBB will make all determinations about eligibility and effective dates of coverage and implementation of their rules, policies and procedures.

1. I am a new employee or newly eligible for benefits; how/when do I enroll?

You must complete the enrollment process, [online](#) or [paper forms](#), within **30 days** of your hire date or eligibility. *(This is a reduction from 60 days)*

2. Did the enrollment process change for New Hires/Newly Eligible employees?

Yes. New Hires/New Eligible employees that are adding [dependents by Affidavit](#) **MUST** enroll using [paper forms](#) and return the forms to OHR Employee Benefits, located at 204 Kerr Administration. This includes: domestic partner, grandchild, foster child, child placed for adoption, other child you are legally responsible for. These employees cannot enroll using the online system.

3. When can I make changes to my benefit elections?

- During the year if you experience a [Qualified Status Change](#) (i.e., birth, marriage, divorce, loss of other coverage, etc.). Changes are effective as of the first of the month after the event date and receipt of the [Mid-Year Change form](#) by OHR Employee Benefits. Note: completion of this process must be within the 30 day enrollment period.
- Open Enrollment each year (month of October) with benefits effective January 1st of the new plan year.
- Open Enrollment corrections can be made through February 28th. Effective date of the correction is the first of the month after the [Corrections form](#) is received by OHR Employee Benefits.

4. Where can I find more information on enrollment periods and effective dates?

Visit the PEBB website for [Enrollment Periods and Effective Dates](#)

5. **I currently have benefits and experienced a [Qualified Status Change](#) (i.e., birth, marriage, divorce, loss of other coverage etc.); how do I make changes to my benefit coverage elections?** You must submit the [Mid-Year Change form](#) to OHR Employee Benefits within **30 days** of the event date. *(This is a reduction from 60 days)*
6. **I know the timeline changed to 30 days to make changes to my elections based on a Mid-Year [Qualified Status Change](#), but did the process change?** No. The process still uses paper forms. You will complete the [Mid-Year Change form](#) and return to OHR Employee Benefits.

7. Can I wait until the 30th day to enroll and/or turn in my [Mid-Year Change form](#)?

Yes, but it is not recommended. Forms received in OHR Employee Benefits will have priority and all efforts will be made to process forms received in order to meet PEBB's deadlines. If for some reason, we are not able to process the form on the 30th day, the form will have to be forwarded to PEBB for processing.

New Hires/Newly Eligible employees may enroll online through midnight on the 30th day. If you encounter problems enrolling online after hours on the last day, the OHR Employee Benefits staff would not be available to assist you. You would then need to complete paper forms and an Appeal form for PEBB's consideration.

8. **Why can't the OHR Employee Benefits staff process my form after the 30 day period?** PEBB has locked out the OHR Employee Benefits staff from processing any enrollments and/or changes if the date of hire and/or event date is more than 30 days from the current date even if the form is received within the 30 day period.
9. **How long does it take PEBB to process my form?** PEBB originally stated they would process all forms within 48 hours. They are currently experiencing a backlog and processing is taking longer. Your benefits coverage will be effective retroactively, but PEBB may not activate the benefits until they receive the premium payment which could be in the next month, depending on the timing of the processing cycle.
10. **I was hired on January 1st and completed the enrollment process (online or by paper) by the 15th of the month. When will my coverage take effect?** Your coverage will be effective February 1st, but PEBB will not activate the coverage until they receive a premium payment. Therefore, if you do not receive a paycheck on payday in January that includes benefit deductions, PEBB will not activate your February 1st coverage until mid to late March.
11. **What does "Activate" mean?** "Activate" refers to when PEBB will notify providers that you have coverage and when that coverage is effective. In the case above, PEBB will not notify the insurance providers until mid to late March that you have coverage and that the coverage is effective February 1st.
12. **I was hired on January 1st and completed the enrollment process (online or paper) between the 16th and 30th of the month. When will my coverage take effect?** Your coverage will be effective February 1st and PEBB will activate the coverage without receiving a premium payment.
13. **If I completed the enrollment process before the end of the month of January and coverage is supposed to be effective February 1st, why is there a difference in the activation date of my coverage by PEBB?** PEBB requires that the correct premium be paid for each employee in the month of coverage. The difference in activation of your coverage is based on our payroll cutoff dates.

If an employee is able to complete the benefit enrollment process by the 15th of the month, PEBB expects that the employee will receive a check that month and that benefit deductions would have been taken. For employees enrolling after the payroll cutoff date, they will allow the benefit adjustment to be made during the next payroll cycle.

- 14. When will the changes in my benefits take effect if OHR Employee Benefits processes my [Mid-Year Change form](#)?**
Coverage will be effective the first of the month after the event date and receipt of the [Mid-Year Change form](#) if the form was submitted timely.
- 15. What happens if I turn in my forms on the 31st day?**
OHR Benefits cannot process your [Enrollment](#) and/or [Mid-Year Change form](#) and your benefits will not go into effect.
- 16. Is there any remedy for missing the 30 day timeframe?** Yes, you can “[Appeal](#)” to PEBB. You would complete an [Appeal form](#) and submit it to OHR Employee Benefits and we will forward to PEBB. On the form, you will state why you could not complete the enrollment/change process within the 30 day timeframe. PEBB will consider your appeal. OSU and the Office of Human Resources have no participation in PEBB’s appeal process.
- 17. How long does it take to process an appeal?** PEBB has 30 days to process an appeal.
- 18. If PEBB approves my Appeal, when does my coverage take effect?** PEBB will make that determination, but usually the effective date is the first of the month after the event date (new hire and/or qualified status change event) and receipt of the form. The effective date may be retroactive, but PEBB may not activate the coverage until they receive the premium payment. This could take an additional month or two depending on where we are in the payroll cycle when the Appeal is approved and OHR Employee Benefits is notified.
- 19. What happens if PEBB does not approve my Appeal?**
You would need to wait until Open Enrollment during the month of October to make your changes. Changes made during Open Enrollment become effective January 1st of the new plan year. Or if you experience a [Qualified Status Change](#) during the year, you could complete the [Mid-Year Change form](#) within 30 days of that event.
- 20. I’m a new employee and was hired on February 20th. I didn’t receive notice of my benefits eligibility until March 3rd. I need my benefits to start on March 1st, what can I do?**
You will need to complete [paper enrollment forms](#) and an [Appeal form](#). OHR Employee Benefits will process your enrollment form with an April 1st effective date (we are locked out of processing retroactive transactions). We will also forward your enrollment form and Appeal form to PEBB for their consideration for a retroactive start date. PEBB will decide whether to approve or deny your Appeal. If PEBB approves the Appeal, the effective date would be retroactive but PEBB may not activate the coverage for the retroactive month until they receive the premium for that month, which could be another month after approval.
- 21. My divorce was finalized in April 2011, but I forgot to turn in the [Mid-Year Change form](#) to OHR Employee Benefits within the 30 day timeframe. What do I do now? Does it matter if I put it off a little longer?**
You need to complete a [Mid-Year Change form](#) and an [Appeal form](#) and submit it to OHR Employee Benefits as soon as possible. Don’t put it off, because you may be charged taxes (Federal, State, Social Security, and Medicare) on the “imputed value” of the benefit received by the ineligible dependents for each month past the 30 day window based on the termination date approved by PEBB.
- 22. I had my baby on March 28, 2011 and turned in my [Mid-Year Change form](#) adding the baby to my coverage on April 25, 2011, which was within the 30 day timeframe. Will my baby be covered from birth?**
Yes, the baby is automatically covered for the first 31 days after birth. Continued coverage depends on the completion of the [Mid-Year Change form](#). Because this is an exception to the “no retroactive” start of coverage, PEBB will need to process the form. Although coverage is retroactive, PEBB may not activate coverage until they have received the premium. Therefore, it could take an additional month before coverage is reactivated.

23. Currently my spouse or domestic partner is not enrolled on my health insurance plan. They have just lost their other group coverage. How do I add them to my plan and when is coverage effective?

You will need to complete the [Mid-Year Change form](#) within 30 days of the event date (loss of other coverage) and submit to OHR Employee Benefits. Effective date of PEBB coverage is the date the other coverage is lost. This is an exception to the “no retroactive” coverage rule. The form will be forwarded to PEBB for processing. Although coverage is retroactive, PEBB may not activate coverage until they have received the premium, which may take an additional month.

24. I am on leave under the provisions of the Oregon Family Leave Act (OFLA) and do not have enough paid leave to continue my employer paid benefits and the benefits were terminated. I returned to work the day after my OFLA leave ended which was the 18th of the month. When do my benefits begin again?

Employees on OFLA leave will have their benefits reinstated retroactive to the first of the month in which they return directly back to work. In this case, PEBB will need to process the reinstatement. Although the effective date is retroactive, PEBB may not activate the benefits until they have received the premium which may take an additional month.

25. I will be going out on leave under the provisions of the Family Medical Leave Act (FMLA) next month and will not be receiving a paycheck. What happens to my health insurance coverage?

While you are on FMLA leave, OSU will pay the premium for your medical/vision, dental and basic employee life insurance. If you are a part-time Classified employee you are still responsible for your share of the premium, if any, and you will be billed for that amount. If you are enrolled in any Optional insurance coverage (i.e., life, long-term disability, etc.), you will receive a letter instructing you how to make the monthly payments if you want to continue the coverage.

PEBB has stated they will terminate an employee’s coverage for an over or underpayment of an employee’s premium. The OSU Payroll Office and OHR Employee Benefits staff are working together to get benefit deductions started and/or corrected (due to mid-year changes) throughout the payroll cycle so PEBB will not delay activation and/or terminate an employee’s coverage due to a wrong premium payment being submitted.

We do not have any control over when PEBB will process forms and/or appeals. At this time, PEBB has declined to confirm receipt of forms or let us know how long it may take to process. Therefore, we will be manually tracking all forms/appeals that are sent to PEBB to ensure that the form eventually gets processed.

We will update the Q&As periodically, based on additional questions from employees and any updates we receive from PEBB. If you have any questions, please contact OHR Employee Benefits at employee.benefits@oregonstate.edu.

Donna Chastain

Benefits Manager | Office of Human Resources | Oregon State University | Go Beavs!

Location: 204 Kerr Admin Bldg | Mailing: 122 Kerr Admin Bldg | Corvallis, OR 97331-2132 |

Direct: 541.737.2806 | Fax: 541.737.0553