



TEXAS ASSOCIATION *of* COUNTIES HEALTH AND EMPLOYEE BENEFITS POOL

ELIGIBILITY PROCEDURES

In 2005, Senate Bill 51 (SB 51) came into effect for all employers with fully insured health plans and affects the way coverage is extended and invoiced when employees and dependents terminate coverage. SB 51 requires health insurance carriers to maintain coverage for participants through the end of the month in which the termination is reported. The employer is responsible for all premiums through the end of the month in which the termination is reported to the carrier.

This legislation is designed to reduce retroactive terminations. When a termination is not reported in a timely manner, the member still has access to benefits and services. Claims paid on members who are no longer eligible drive up the cost of health care and the providers do not get paid for services. SB 51 was passed to reduce these situations. Although Texas Association of Counties Health and Employee Benefits Pool (TAC HEBP) is not an insurance carrier and is not required to comply, the Board of Directors voted in 2006 to adopt billing practices that mirror the provisions of SB 51. These practices are standard in the industry and reinforce "best practices" at the employer level.

Billing

Pre-Invoice – a pre-invoice is provided for the opportunity to review entries and make corrections prior to the final invoice. These are prepared on or near the 13th of each month and there are 7 days to make corrections to ensure the accuracy of final invoice.

Final Invoice – the final invoice is sent on or about the 20th of each month. All invoices are to be paid by the 1st of the month. Payments **must include** a copy of the Remittance page and be sent to the lock box address provided. Payment is applied by an outside vendor and cannot determine how to apply payment if it is not submitted correctly. If the Remittance page is not included, the payment could be improperly applied and will be delayed. Pre-addressed envelopes are provided to each group. Payments are due, in full, the 1st of each month. Any changes or corrections made in the system will be reflected as a credit or debit on the invoice in the following month.



TEXAS ASSOCIATION *of* COUNTIES

HEALTH AND EMPLOYEE BENEFITS POOL

Terminations

TAC HEBP does not accept retroactive terminations. Employers are responsible for all contributions through the end of the month in which the termination is reported, as per SB 51. The information is entered, by the group, in OASys the online administration system.

In the event that OASys is not available, a mailed or faxed copy of the termination form will be accepted.

- Mailed termination forms - the receipt date of notice is the date stamp of receipt by TAC HEBP (not the postmarked date)

OR

- Faxed termination forms - the receipt date of notice is the date stamp applied by TAC HEBP facsimile machine.

Please keep the fax confirmation sheets with a time/date stamp to verify the notification date. Neither e-mailed terminations nor notifications submitted to a broker's office will be considered as submission to TAC HEBP.

Example:

Termination Date	Reported Date	Last Day of Coverage	Invoiced Through
October 13	October 17	October 31	October 31
October 13	November 5	November 30	November 30
October 13	January 3	January 31	January 31

There is a 5 day grace period for processing terminations which occur during the **last week of the month**. When a termination occurs during the last week of a month it **MUST** be entered/reported by the 5th of the next month; otherwise, coverage will be extended an additional month, to the end of the following month, and the employer is responsible for these contributions.

Example:

Termination Date	Reported Date	Last Day of Coverage	Invoiced Through
October 30	November 3	October 31	October 31
October 30	November 7	November 30	November 30



TEXAS ASSOCIATION *of* COUNTIES HEALTH AND EMPLOYEE BENEFITS POOL

NOTE: To avoid the liability for all contributions through the end of the month in which the termination is reported, **disclosing terminations in a timely manner will minimize the cost to the group.** A pre-invoice is provided each month for review to ensure accuracy of the final invoice. Failure to utilize this important tool may result in unnecessary expenses.

This policy applies to both employee and dependent terminations. However, it does not change the enrollment rules for qualifying events. *Employees* are still required to report changes such as marriage, divorce, etc. within 31 days. *Employees* will be liable for the appropriate dependent costs through the month in which he/she notifies the employer.

New Enrollees

All employees and dependents must have social security numbers entered in the eligibility system.

Effective dates determine the billing:

- New enrollees who become effective during the 1st through the 15th of the month will be billed for the full month
- Enrollees who become effective the 16th through the end of the month will not be billed

Payroll Changes

Salary Based Life Products must reflect the appropriate payroll amounts and effective dates. Payroll changes may be entered into OASys in advance provided the correct upcoming payroll effective date is entered in the system. An error in the effective date year will cause the system to retro to the effective date in the prior year and the system will calculate the invoice according to the old payroll effective date.

Open Enrollment Entries

Open Enrollment (OE) may be entered in advance; however the correct effective date must be entered. All OE entries must be made by the *deadline designated in*



TEXAS ASSOCIATION *of* COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL

each renewal packet. Pre-invoices will not be generated until after OE entries are made.

NOTE: The first invoice after the renewal effective date will always be delayed to accommodate the eligibility and testing of each group. Efforts are made to minimize the delay; however, invoices cannot be generated until all security measures have been taken.



TEXAS ASSOCIATION *of* COUNTIES
HEALTH AND EMPLOYEE BENEFITS POOL

Acknowledgement

County acknowledges the attached policy has been read and agrees to comply with the TAC HEBP Eligibility Procedures.

Signature of Contracting Authority:

John P. Thompson

Date: 04-21-09

Print name and title:

John P. Thompson, County Judge, Polk County, Texas

Please copy these documents for your records and mail the original signature page back to Texas Association of Counties, TAC HEBP, P.O.Box 2131, Austin, TX 78768. If there are questions about policies and procedures please contact your Employee Benefits Specialist at 800-456-5974.

**PLEASE PROVIDE A COPY OF THIS NOTICE TO YOUR
PRIMARY CONTACT AND BILLING CONTACT**