GEORGIA DEPARTMENT OF
COMMUNITY HEALTH

Rhonda M. Medows, MD, Commissioner

Sonny Perdue, Governor

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NOTICE OF PUBLIC HEARING

PLEASE TAKE NOTICE THAT on September 23, 2009, at 10:00 am in the Overflow Conference Room adjacent to the Board Room at the Department of Community Health, #2 Peachtree Street, 5th Floor, Atlanta, Georgia, a public hearing will be held for the presentation of proposed administrative rule changes.

The chapter affected by the proposed rule & regulation changes is listed below:

Ga. Admin. Comp. Ch. 111-4-1, State Health Benefit Plan

111-4-1-.06, Changes in Coverage and Option

All interested persons are hereby given the opportunity to participate by submitting data, views or arguments (orally or in writing). Oral comments may be limited to 10 minutes per person. If you need auxiliary aids or services because of a disability, please contact the Office of General Counsel at (404) 651-5016 at least (3) three business days prior to the hearing.

Written comments must be submitted to the Department or postmarked no later than the close of business at 5:00 p.m. on September 28, 2009. Comments may be faxed to (404) 463-5025, emailed to wmcgaha@dch.ga.gov or mailed to the address above, attention General Counsel Division.

Unless revision of the proposed rule changes is indicated as a result of the public comments, it is the intent of the Department of Community Health to ask the Board of Community Health to approve the rule(s) as promulgated herein for final adoption on October 8, 2009.

This 26 day of August, 2009.

Rhonda M. Medows, M.D.

RMM:pmj

Attachments

SYNOPSIS

Proposed Rule Changes
Rule 111-4-1-.06
Changes in Coverage and Option

STATEMENT OF PURPOSE OF PROPOSED RULE

The purpose of this proposed amendment is to describe an additional opportunity for a retiree enrolled in the SHBP to change his or her enrollment option. The proposed amendment will permit retirees who are enrolled in the SHBP to change to a Medicare Advantage option when the following two conditions are met. The first condition is that the Centers for Medicare and Medicaid Services approve the enrollment. The second condition is that the Medicare Advantage option be administered by the same company that administers the retiree's current option.

DIFFERENCE BETWEEN EXISTING AND PROPOSED RULE

The existing regulation 111-4-1-.06(6)(b), entitled "Additional Changes for Retirees," provides that retirees enrolled in the SHBP may change enrollment options in three additional situations that do not apply to members who are not retirees. First, they may change enrollment options upon retirement. Secondly, they may change enrollment options when the retirement annuity payment is not sufficient to pay the required premium for the current option. Finally, they may change enrollment options when they become eligible for Medicare. The proposed rule adds a fourth situation: when the retiree requests in writing to change to the Medicare Advantage plan offered by the same company administering his or her current option and the Centers for Medicare and Medicaid Services approve the change.

111-4-1-.06 Changes in Coverage and Option.

(1) **Open Enrollment Period and Retiree Option Change Period.** The Open Enrollment period and Retiree Option change period shall be a minimum period of fifteen (15) calendar days and shall begin no earlier than October 1 and shall end no later than November 15 of each year. The Commissioner shall announce the dates of the periods each year. Eligible Employees, enrolled Retirees and Extended Beneficiaries shall be given an opportunity to make the changes in Coverage election as reflected in the following paragraphs.

(a) **Active Employees.** Eligible Active Employees, eligible Employees on Approved Leave of Absence Without Pay and Extended Beneficiaries shall be given an opportunity to enroll or change Coverage during the Open Enrollment period.

(b) **Retirees.** During the Retiree Option Change Period, enrolled Retirees shall be given an opportunity to change Coverage Option to any Option for which the Retiree is eligible.

(2) **Returning Employee from an Approved Leave of Absence.** An eligible Employee who did not continue Coverage during an Approved Leave of Absence Without Pay which included the Open Enrollment period shall be offered the opportunity to enroll, discontinue, or change Coverage within fifteen (15) calendar days of the date the Employee returns to work.

(3) **Qualifying Event During a Period of Ineligibility.** When an Employee loses eligibility for Coverage and subsequently resumes eligibility for Coverage within the same Plan Year, and a Qualifying Event under these regulations occurs during the period of ineligibility, the Employee shall have the opportunity to request a change in Coverage election for the remainder of the Plan Year that is consistent with that Qualifying Event. The request to change Coverage election must be received by the Administrator within thirty-one (31) calendar days following the date the Employee resumes eligibility through an Employing Entity. The effective date of the requested action shall be consistent with the new employment provisions of these regulations. The Administrator shall request supporting documentation to demonstrate the Qualifying Event has occurred. Failure to fully document the occurrence of the Qualifying Event within the allotted time shall result in reversal of the new Coverage election and restoration of the Employee's former Coverage election.

(4) **Retired Employee's Discontinuation of Coverage.** A Retired Employee may discontinue Coverage at any time by advance notice to the Administrator without any entitlement to re-enroll at a later date.

(5) **Reinstatement of Employee Across Plan Years.** If an Employee was reinstated to employment for a period of time inclusive of the applicable Open Enrollment period, the Employee shall be offered the opportunity to enroll or change Coverage within fifteen (15) calendar days of the return to work.

(6) **Qualifying Event Coverage Changes.**

(a) A Member shall be eligible to make a change in coverage or tier on account of the qualifying events set forth, and in the manner described, in Internal Revenue Service Regulation 1.125-4, so long as the Member and the Employing Entity (if applicable) satisfy requirements established by the Administrator. Requests to enroll, change, or discontinue coverage must be received by the Administrator no later than thirty-one (31) calendar days following the qualifying event. The effective date of the Coverage election shall be the first of the month following receipt of the request, unless otherwise noted in Internal Revenue Service Regulation 1.125-4. The Administrator shall request supporting documentation to demonstrate the Qualifying Event has occurred. Failure to fully document the occurrence of the Qualifying Event within the allotted time shall result in reversal of the Coverage election and restoration of the Member's prior Coverage election.

(b) **Additional Changes Permitted for Retirees**. An enrolled Retiree may change to any Option to which the Retiree is eligible upon occurrence of one or more of the following events, provided the request is received by the Administrator within thirty-one (31) calendar days following the Qualifying Event: at the time of retirement; at the time that the annuity amount to be received from a state supported participating retirement system becomes insufficient to satisfy the Option premium; ~~or~~ at the time that the Retired Member becomes eligible for Medicare coverage~~.~~; or, subject to approval by the Centers for Medicare and Medicaid Services, at the time the enrolled Retiree requests in writing to move from his or her current Option to a Medicare Advantage plan offered by the same Third Party Administrator.

(c) Married enrolled Retirees may change Tier in order to become individual Enrolled Members at any time when no individuals other than the Spouse are enrolled in the Coverage. The change in Coverage will be effective within two (2) calendar months following the requested change.

(7) **Documentation**. The Administrator may require documentation that a Qualifying Event permitting enrollment, change or discontinuation of Coverage has in fact occurred outside the annual enrollment period. When required, documentation appropriate to the event will be specifically described and must be received by the Administrator within the allotted time. Failure to document appropriately or within the allotted time shall result in the reversal of the requested Coverage action and restoration of the Member's prior Coverage.

Authority O.C.G.A. §§ 20-2-295, 20-2-881, 20-2-894, 20-2-897, 20-2-911, 20-2-922, 45-18-1 et seq., 50-18-72, 50-18-94, Internal Revenue Code Section 125 – Family and Medical Leave Act of 1993 (FMLA), Consolidated Omnibus Budget Reconciliation Act (COBRA), IRS Code Section 125, Health Insurance Portability and Accountability Act (HIPAA), Child Support Performance and Incentive Act, U.S.E.R.R.A.