



July 14, 2008

MEMORANDUM

To: All Payroll Locations

From: State Health Benefit Plan (SHBP)

Subject: Direct Billing-New Premium Calculation

Beginning in fiscal year 2010 (**July 1, 2009**), the basis for funding the State Health Benefit Plan (SHBP) will change. The SHBP will bill a total premium, based upon selected coverage and tier, for each covered employee. The billed amount on the monthly bill will include both employee and employer contributions. And to assist you with this new process, we will provide the individual employee deduction amounts in a separate report available on View Direct.

Though the change to 'Direct Billing' is one year away we wanted to alert you to the change now to allow ample time for preparation. We will be sharing with you in the near future the specific requirements for your IT staff (or your payroll vendor) for program changes. SHBP, with your help, will be working diligently on billing issues to eliminate any outstanding balances by the time of conversion.

As part of the change to Direct Billing, we will also change the leave without pay (LWOP) process effective July 1, 2009. Currently, employees send their premium payments directly to SHBP. Under the new process, employees on LWOP will send their payments to you and in turn you will include their premium AND the employer portion for that employee. This new process will become part of the routine monthly bill process.

We understand that the above changes are significant and will generate questions. Please bear with us as there are many details still to be worked out over the coming months. As the process is finalized, we will be sharing additional information with you.

If you have any questions, please contact Bill Tierney at 404-651-6140 or btierney@dch.ga.gov.