

**ADMINISTRATOR  
HEALTH & WELFARE BENEFITS  
MANUAL**

**UPDATED: September 2022**

**VIRGINIA BANKERS  
ASSOCIATION**  
Benefits Corporation

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## **INTRODUCTION**

Welcome to the VBA Benefits Corporation's Health & Welfare Employee Benefits Manual. This document is intended to be a guide that will assist you in administering your VBA benefit programs. It does not describe the benefit plan design offerings as that information can be found on our website nor does it describe the specific design provisions that are unique to each employer. The following are topics that will be covered in this guide:

- Contact information for both insurance carrier partners and the VBA Benefits staff
- Plan eligibility requirements, participation requirements and special administrative rules
- ACA compliance support
- HIPAA compliance support
- COBRA administration

## **OVERVIEW OF VBA BENEFITS CORPORATION**

Since 1946, the VBA has offered a number of employee benefit programs for member employers. All benefits are provided through contracts issued by insurance carriers and other providers to the VBA Insurance and Pension Trusts. Daily operation of the benefit programs is the responsibility of the VBA Benefits Corporation.

VBA Employee Benefit Programs are monitored by the VBA Benefits Corporation Board of Directors. Selected from participating VBA members, the Board of Directors meets quarterly to review performance goals and to oversee program operations. The Board's purpose is to guarantee that our programs, coverage provisions, and costs are the best programs for their fellow Association members.

Our fee structure is designed to cover our operational costs while providing services that are valuable to the Association's members. Our intention is not to make a profit on your employee benefit plans.

Effective January 1, 2015, the VBA's medical and dental plans became self-funded, which required the creation of two trusts where premiums are held and paid to carriers:

- The Virginia Bankers Association Medical and Dental Trust; medical and dental costs
- The Virginia Bankers Association Group Insurance Trust; fully-insured ancillary coverages.

Both trusts are maintained by Truist, our directed Trustee.

## CONTACT INFORMATION

### VBA BENEFITS STAFF

Name	Title	Direct Dial	Email Address
Laurie Milligan	President & COO	804-819-4721	<a href="mailto:lmilligan@vabankers.org">lmilligan@vabankers.org</a>
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Cindy Beazley	Benefits Coordinator	804-819-4705	<a href="mailto:Cbeazley@vabankers.org">Cbeazley@vabankers.org</a>

For general inquiries please call the VBA Benefits Corporation at 1-800-643-5599 or email [benefits@vabankers.org](mailto:benefits@vabankers.org).

### PARTNERS – EFFECTIVE JANUARY 1, 2022

Benefit	Carrier	Telephone Number	Website
Medical	Anthem Health Guide	1 (833) 831-0085	<a href="http://www.anthem.com">www.anthem.com</a>
Prescription Drugs	RxBenefits (Express Scripts)	1 (800) 334-8134	<a href="mailto:RxHelp@rxbenefits.com">RxHelp@rxbenefits.com</a>
Health Savings Account Administration	Health Equity	1 (866) 346-5800	<a href="http://www.healthequity.com">www.healthequity.com</a>
Dental	Delta Dental	1 (800) 237-6060	<a href="http://www.deltadentalva.com">www.deltadentalva.com</a>
Life	Securian (Minnesota Life)	1 (800) 643-5599 (VBA)	<a href="http://www.securian.com">www.securian.com</a>
Disability (LTD/STD)	Lincoln Financial (Liberty Mutual)	1 (800) 643-5599 (VBA)	<a href="http://www.lfg.com">www.lfg.com</a>
Vision	VSP	1 (800) 877-7195	<a href="http://www.vsp.com">www.vsp.com</a>
Flexible Spending Accounts	FBA	1 (877) 532-5478	<a href="https://fba.wealthcareportal.com/">https://fba.wealthcareportal.com/</a>
COBRA	FBA	1 (800) 437-3539	<a href="https://cobrapoint.benaissance.com">https://cobrapoint.benaissance.com</a>
Group Critical Illness & Accident	AFLAC	1 (800) 643-5599 (VBA)	<a href="http://www.aflac.com/vbabenefits">www.aflac.com/vbabenefits</a>
Group Hospital Indemnity	ALFAC	1 (800) 643-5599 (VBA)	<a href="http://www.aflac.com/vbabenefits">www.aflac.com/vbabenefits</a>
Group Legal	MetLife Legal	1 (800) 821-6400 (client svc ctr)	<a href="http://www.info.legalplans.com">www.info.legalplans.com</a>
Pet Insurance	Nationwide	1 (800) 643-5599 (VBA)	<a href="http://benefits.petinsurance.com/vabankers">http://benefits.petinsurance.com/vabankers</a>

## **ELIGIBILITY REQUIREMENTS**

### **Medical and Prescription Drug – Anthem**

- Full-time and part-time employees working a minimum of 20 hours per week. Minimum can be set at a higher amount by the employer.
- Spouses and domestic partners\*
- Children, up to age 26; coverage ends on last day of the month they turn 26
- Retirees, age 55 but under 65, with a minimum threshold years of service chosen by employer (typically 10 years); employer must choose to offer coverage company-wide and premiums calculated as 150% of active rates.
- A retiree's covered spouse under age 65 may keep his or her coverage until age 65.
- Board of Directors can be covered only if they receive a W-2 from the employer; VBA will grandfather those covered under the plan prior to 2014
- Employees who become disabled and not actively at work cannot stay on the plan for longer than six months

### **Medicare Supplement – The Hartford/Benistar (Express Scripts)**

- Employees or retirees who are Medicare-eligible (age 65 or older) and currently covered under one of the VBA active plans are eligible for this benefit
- Covered spouses over age 65 are eligible if currently covered under one of the VBA active plans AND the employee is not yet Medicare-eligible and covered under the VBA medical plan as an active employee.

### **Dental – Delta Dental**

- Full-time and part-time employees working a minimum of 20 hours per week. Minimum can be set at a higher amount by the employer.
- Spouses and domestic partners\*
- Children, up to age 26; coverage ends on last day of the month they turn 26
- Retirees and spouses who are covered under a VBA medical plan are eligible; spouses cannot elect coverage if the retiree does not elect coverage.

### **Vision - VSP**

- Full-time and part-time employees working a minimum of 20 hours per week. Minimum can be set at a higher amount by the employer.
- Spouses and domestic partners\*
- Children, up to age 26; coverage ends on last day of the month they turn 26
- Retirees and spouses who are covered under a VBA medical plan are eligible; spouses cannot elect coverage if the retiree does not
- Participants do NOT receive an ID card; they simply need to inform their provider they are covered by VSP and provide their SSN.

### **Basic and Supplemental Life Insurance and AD&D – Securian**

- Full-time employees working a minimum of 30 hours per week. Minimum can be set a higher amount by the employer.
- Retirees can be covered if employers elect to offer Retiree Life coverage

**Dependent Life insurance – Securian**

- Spouses and domestic partners\*
- Children from live birth up to end of calendar year in which they turn 19 or 25, if full-time student
- **NOTE:** spouses who are covered as an employee for basic life of a VBA-participating employer cannot be covered as a spouse for dependent life. In addition, children cannot be covered under both employees' dependent life coverages.

**Long Term Disability (LTD) – Lincoln Financial**

- Full-time employees working a minimum of 30 hours per week

**Short Term Disability (STD) – Lincoln Financial**

- Full-time employees working a minimum of 30 hours per week; applies to fully-insured plans only

**Flexible Spending Accounts – LD&B**

- Full-time employees working a minimum of 20 hours per week

**Group Critical Illness & Accident – AFLAC**

- Full-time or part-time employees working a minimum of 20 hours per week
- Dependents may be covered under the plan

**Group Hospital Indemnity - AFLAC**

- Full-time or part-time employees working a minimum of 20 hours per week
- Dependents may be covered under the plan

**Group Legal Assistance – MetLife Legal**

- Any employee of the employer, assuming cost can be payroll deducted

**Pet Insurance – Nationwide**

- Any employee of the employer; premium varies by breed and age and quotes are provided through online website (access through VBA website under Explore Employee Benefits tab)
- 10% discount for VBA participants and if coverage is elected, premium is direct billed to the participant.

**\*Domestic Partners**

- An employee's dependents do not include Domestic Partners, or their dependent children, unless the employer elects otherwise in their Adoption Agreement.
- Domestic Partners may be defined as:
  - The same sex Domestic Partner of an Employee
  - The opposite sex Domestic Partner of an Employee
- A Domestic Partner relationship will need to be substantiated by the employee and domestic partner by completing an Affidavit of Domestic Partnership.

## **PARTICIPATION REQUIREMENTS**

The VBA Benefits Corporation sets participation requirements for our member employers, primarily due to the contractual requirements set by the insurance carriers.

<b>COVERAGE</b>	<b>MINIMUM PARTICIPATION REQUIREMENTS</b>
Medical & Prescription Drug	75% participation; employees cannot opt out of the plan unless show proof of coverage elsewhere
Medicare Supplement	None
Dental	75% participation; employees cannot opt out of the plan unless show proof of coverage elsewhere
Vision	None
Basic Life Insurance	100% participation
Supplemental Life	None
Dependent Life	None
Long Term Disability	100% participation; employers can fund through LTD flex credits which can create tax-free disability benefit; however, ALL employees must elect and pay for an LTD option.
Short Term Disability: Employer-paid Voluntary	100% participation 25% participation
Flexible Spending Accounts	None
Group Critical Illness and Accident	None
Hospital Indemnity	None
Legal Assistance	None

## **BILLING RULES**

- The VBA provides a consolidated monthly bill that covers all lines of coverage; we reconcile and remit payment to all carriers.
- The bills are processed on the 23<sup>rd</sup> of the prior billing month and the bswift system will be down on/around the 23<sup>rd</sup> of each month for this process. The VBA typically needs a few days to make adjustments before employers can pull the invoice from the bswift system, we will contact employers once the bills are ready to be downloaded.
- The billed amount is typically drafted (ACH) within the first business week of every month.
- We utilize the “wash rule” for new hires, terminations and changes:
  - If an employee’s coverage is effective on or before the 15<sup>th</sup> of the month, full month’s premium will be charged to the employer.
  - If an employee’s coverage is effective on or after the 16<sup>th</sup> of the month, employers will not be charged premium.
  - If an employee’s coverage terminated and his/her first day of non-coverage is within the first 15 days of the month, employers will not be billed for that month.
  - If an employee’s coverage terminated and his/her first day of non-coverage is after the 15<sup>th</sup> of the month, employers will be billed for the entire month.
- NOTE: The wash rule does not apply to dental; coverage is the first of month following waiting period. See dental section for more details.

## **BENEFIT PLANS TERMINATION DATES**

- Medical – termination date or end of the termination month (each employer decides)
- Vision – termination date or end of the termination month (each employer decides)
- Dental – end of the termination month
- Life and Disability – date of termination
- All Voluntary plans – end of the termination month

## **ADMINISTRATIVE RULES & PROCESSES**

### **Medical**

- Waiting periods for healthcare coverage can no longer exceed 90 days under ACA requirements.
- All active employees covered under the medical plans should receive an annual ***Creditable Coverage Notice***, which is particularly important when an employee is getting ready to transition to Medicare Part D. An individual may be subject to a penalty if he or she has not had continuous creditable drug coverage since age 65 and prior to application for Part D. Although this is most important for your active employees age 65 or over, a spouse or disabled child could be Medicare eligible as well. ***Important: If you have employees covered under the PPO \$4,000 or PPO \$5,000 plan, please make sure your employees receive the Non-Creditable Coverage Notice. You can find both notices under Forms and Resources on the VBA Benefits website.***

### **Dental**

- The coverage effective date is always the first of the month following your waiting period. Coverage always ends on the last day of the month following the employee's termination date.

### **Life Insurance**

- The guaranteed issue amount of life insurance is the lesser of 5x salary or \$500,000, which is the total combined amount for basic and supplemental life. For amounts greater than \$500,000, evidence of insurability (EOI) is required (health questions requested by insurer). Until EOI is approved, life insurance amounts are capped at \$500,000. The VBA will notify you once the amounts have been approved or denied. Note: Annual salary increases are not subject to EOI.
- If an employer offers supplemental life, employees who do not elect coverage at their initial enrollment offering and elect a higher amount of insurance at annual open enrollment will also need to submit evidence of insurability.
- Spouse dependent life is guaranteed issue up to \$30,000. If coverage is not elected at initial enrollment and the participant requests a higher amount of insurance at annual open enrollment, evidence of insurability is required. Spouse life coverage cannot exceed 100% of the employee's amount of basic and supplemental life coverage.
- All amounts of child dependent life are guaranteed issue at each open enrollment.



- We have a waiver of premium provision in our life insurance contract. This applies to covered employees who become totally disabled prior to age 60. Life insurance premiums will be waived if deemed totally and permanently disabled. The VBA will send the waiver of premium form when the employee is eligible. We recommend that you keep the employee's insurance in force until the waiver determination has been made by the insurance company.
- When an employee or covered dependent dies, contact the VBA Benefits Corporation for the appropriate claim forms. A certified copy of the death certificate will be required. All completed claims forms must be returned to the VBA for benefit certification and submission to the carrier.
- When employees terminate employment, basic and supplemental life may be **ported**. Dependent life may also be ported provided the employee also ports coverage for themselves. Securian sends information directly to all terminated employees.

### **Long Term Disability (LTD)**

- If an employee becomes disabled, please give the employee the LTD flyer with directions on how to report a disability claim. This can be found on the VBA website. We recommend this is done once the employee has reached the midpoint of his or her elimination period (does not apply if employer has VBA STD).
- The vendor will send an email to VBA when they receive a new LTD claim form from an employee and may ask for additional documentation regarding annual salary and/or job description.
- When claim has been approved, the VBA will notify the employer; the insurance carrier will notify the disabled employee.
- LTD checks will be mailed directly to the disabled employee; direct deposit can be elected by calling the insurance carrier and requesting the forms.
- If you offer the 70% LTD buy-up option to employees, the additional 10% will be subject to evidence of insurability (EOI) if not elected at initial date of hire. The system will pend the election and the VBA will notify you when the increase has been approved.
- If you offer multiple LTD plans and an employee elects a plan with a shorter elimination period, such as moving from the 90 to 60-day option, the plan will be subject to EOI if it's not elected at initial date of hire. The system will pend the election and the VBA will notify you when the plan has been approved.

### **Short Term Disability (STD)**

- When an employee goes out on Short Term Disability, please give them the STD flyer with directions on how to report the absence to the STD carrier. This flyer can be found on the VBA website.
- We do not receive any paper approvals. Banks may log into [www.MyLincolnPortal.com](http://www.MyLincolnPortal.com) and review their specific employees' information.
- STD checks will be mailed directly to the disabled employee.

### **Group Critical Illness (CI) and Accident**

- Available at each open enrollment on guaranteed-issue basis.
- Premiums paid on an after-tax basis so benefit will be tax-free and non-ERISA plan.
- When an employee terminates from an VBA participating employer, the coverage may be ported to an individual policy.

### **Group Hospital Indemnity**

- Available at each open enrollment on guaranteed-issue basis.
- Premiums paid on an after-tax basis so benefit will be tax-free and non-ERISA plan.
- No pre-existing condition limitations, including pregnancy, although the first newborn covered under the plan will not have coverage until the first of the month following birth.
- Election is for entire plan year; cannot drop coverage mid-year.
- When an employee terminates from a VBA participating employer, the coverage may be ported to an individual policy.

### **Group Legal Assistance**

- Available at each open enrollment.
- Premiums paid on an after-tax basis so benefit will be tax-free and non-ERISA plan.
- Election is for entire plan year; cannot drop coverage mid-year.
- When an employee terminates from an VBA participating employer, the coverage may be ported to an individual policy.

### **Pet Insurance**

- Available at any time by visiting <https://benefits.petinsurance.com/vabankers>
- Premiums are direct billed to employee.

### **ISSUANCE OF MEMBER ID CARDS**

Before a participant becomes active in any of the plans, the carriers must first receive our Bswift file which is sent to the carriers on a weekly basis. Therefore, it may take up to 10 business days before the participant's profile is accessible on the various carrier platforms. Once their profiles are activated, Member ID cards are sent in the mail. *As a reminder, there are NO ID cards issued for Vision. The participant simply needs to inform their provider they are covered by VSP and then provide their SSN.*

There are occasions where the participants may need their Member ID cards before receiving them in the mail. If this is the case, we encourage the participants to reach out to the carrier directly, provided of course there has been adequate time for the data to be uploaded into the carrier's system.

## **AFFORDABLE CARE ACT (ACA) COMPLIANCE**

### **Employer ACA Requirements**

- Employer PCORI Fee and Taxes – VBA will pay on your behalf to the IRS
- Affordable Coverage: Employee contribution for lowest cost health plan cannot be more than 9.12% of taxable income in 2023
- Sufficiently Valuable Coverage: VBA’s health & welfare consultant has verified all VBA plans meet the 60% actuarial value threshold
- Minimum Essential Coverage: VBA’s plans provide minimum essential coverage

### **Employer ACA Reporting Requirements**

- Minimum Essential Coverage (MEC) Reporting (Code 6055) – requires reporting by health insurers and self-funded employers to enforce individual mandate. VBA will complete on behalf of employers in plan. Tax forms will be accessible through the bswift system.
- Employer Mandate Reporting (Code 6056) – requires reporting by employers with more than 50 FTEs to enforce Employer Mandate and eligibility for premium credit. Each employer’s responsibility. Bswift will handle if employer signs up for service.
- Notice of Exchange Availability – New hires should be provided with a copy of the notice within 14 days after date of hire. This is a one-time requirement and not required to be reissued annually.  
*Updated notice on VBA Benefits website.*

## **HIPAA COMPLIANCE**

The VBA Benefits Corporation is HIPAA-compliant and serves as HIPAA officer for most of our employers which allows you to remain separated from receiving detailed claims information or protected health information (PHI). We maintain all HIPAA-related documents, including HIPAA Policy, Privacy Compliance Manual, and Business Associate Agreements (BAAs) with our vendors.

We have traditionally found this saves our employers/associate members time and money in having us take on this role.

We receive assistance from our outside legal counsel, Troutman Pepper, to review and update our policies and procedures, and documents to ensure we are compliant with the law.

## **COBRA**

We include COBRA administration for those employers who participate in our medical, dental, vision and health FSA plans. The COBRA vendor receives weekly files from bswift with information on new hires and terminations. Important reminders include:

- When you add new hires, the vendor will email and mail an Initial Rights notice to their home addresses.
- When employees are terminated, the vendor will mail a COBRA qualifying event election packet to the last home address in the bswift system.
- When a dependent becomes ineligible, a COBRA notice will automatically be generated and mailed.
- HR administrators should communicate to terminating employees or ineligible dependents that the COBRA vendor will be emailing and mailing a COBRA election packet to their home address and the cost is based on the entire premium (both employer and employee portion) plus a 2% COBRA administration fee.

General COBRA rules apply after a qualifying event:

- Employee and qualified dependents can elect coverage for up to 18 months
- Under certain circumstances, dependents who become ineligible (for example, dependents who have aged out) can elect coverage for up to 36 months
- Disabled employees can elect coverage for up to 29 months

For detailed information about COBRA, please refer to the wrap health & welfare summary plan description, customized to your plan offerings, provided by the VBA.

## **EAP**

The EAP model includes four visits to a mental health provider; this creates a health plan which means that terminated members must be offered COBRA rights. Since the VBA administers COBRA for our plan participants, we can only meet COBRA obligation requirements for medical plan enrollees. For employees who waive medical coverage, and if an employer offers our disability plan, an EAP can be offered through our disability carrier, Lincoln Financial. Information is available on the VBA website.

## **ANNUAL DISCLOSURE REQUIREMENTS**

<b>Notice</b>	<b>Explanation</b>	<b>Entity Responsible</b>	<b>Frequency</b>	<b>Applicable Document</b>
<b>Summary of Benefits and Coverage (SBC)</b>	Four-page uniform description of benefits available at open enrollment. Anthem will provide SBC, employers must distribute to eligible employees. Follow the same distribution guidelines as SPDs. Electronic distribution is acceptable within specific parameters. Paper copy must be available upon request.	VBA will provide SBCs to employer; Employer will distribute/post to employees	Annual	During open enrollment period; first day of plan year (for newly eligible)
<b>Patient Protection Disclosures</b>	Participants may select any participating provider available to accept them as a patient. A child may elect a provider specializing in pediatric care. Obstetrical or gynecological care may be obtained without a referral or prior authorization.	Anthem	Not defined as annual distribution; must be included with a SPD or other similar description of benefits; OE suggested	Provided in booklet/SPD.
<b>HIPAA Special Enrollment and Pre-existing Condition Exclusion Notices</b>	Eligible participants must receive notice of special enrollment rights. Pre-existing condition not applicable to VBA plan.	Employer	Annually	Included in Anthem booklet in section labeled, "When Can You Enroll". Provided by COBRA Vendor to new hires.
<b>Women's Health and Cancer Rights Act (WHCRA) Notice</b>	Requires annual notice to all participants and beneficiaries regarding rights to post-mastectomy breast reconstruction. One notice at initial enrollment, annually thereafter.	Anthem	Annually	Provided by Anthem with ID cards for initial enrollment requirement; language included in booklet for annual notice.

<b>Medicare Part D Creditable (or Non-Creditable) Coverage Notice</b>	Employer must provide notice if prescription drug coverage is creditable (i.e. at least actuarially equivalent to Medicare’s standard Rx benefit). Required recipients are Part D-eligibles who are “enrolled or seeking to enroll” in the employer’s plan.	Employer	Annually and at several other times	Typically included with open enrollment materials. Available on VBA website.
<b>Children’s Health Insurance Program (CHIP) Notices</b>	Applicable in a state that provides a premium assistance subsidy under Medicaid or CHIP. Must provide in VA.	Employer	Annually	Distributed at annual open enrollment; must be presented as a “separate and prominent” document; available on VBA website
<b>Wellness Program Notices</b>	If a wellness program requires individuals to meet a standard related to a health factor in order to obtain a reward, the HIPAA nondiscrimination rules require the program to comply with five conditions, including a disclosure requirement.	May apply to individual employer’s specific wellness plan, if based on outcomes-based incentives.		
<b>Summary Annual Report (SAR)</b>	Must be distributed within nine months after the close of each plan year. If an extension is filed for the plan’s Form 5500, the SAR deadline is also extended.	VBA provides to employer; employer must distribute	Annually	VBA provides SAR to employer with all plans offered, employer must customize to specific benefits offered. Distribution is dependent on each employer.
<b>Health Insurance Marketplace Notice Requirement</b>	Employers covered by the Fair Labor Standards Act (FLSA) are required to provide notice either electronically or in hard copy.	Employer	At time of hire	Sample notice posted on VBA website

## OTHER DISCLOSURE REQUIREMENTS

Notice	Responsible Entity	Frequency
Initial COBRA QE Notice	LD&B	Within 90 days of enrollment
HIPAA Notice of Privacy Practices	Employer	Given to new participants and redistributed if revised. Reminder must be distributed every three years regarding availability of detailed description. Available on VBA website.
Summary Plan Description (SPD) or Summary of Material Modification (SMM)	Employer	<p>As of 2015, customized SPDs were distributed to member employers; VBA will update each year based on new plan offerings. Booklet-certificates are provided on VBA website.</p> <p>SPD: employees must receive within 90 days of enrollment and again every five years.</p> <p>SMM: 210 days after effective date of change.</p>