



Questions and answers around potential state government shutdown for Public Employees Benefits Board (PEBB) Program subscribers

Revised June 28, 2017

● *New or updated Q&As*

1. ● **I'm an employee enrolled in PEBB benefits before June 30, 2017. If state government shuts down for part or all of July, what will happen to my PEBB benefits? If I have a medical procedure in July, will it be covered?**

To keep your employer's contribution toward your PEBB benefits (which includes medical, dental, basic life insurance, and basic long-term disability insurance), you must have at least 8 hours of pay status in July ([WAC 182-12-131](#)). [WAC 182-12-109](#) defines pay status as "all hours for which an employee receives pay." One full day of work or a full day of paid leave (vacation or sick leave) would cover this requirement. If employees are not called back to work before the end of July, they do not have the option of submitting a leave slip to continue their coverage. The employee will need enroll in continuation coverage and self-pay the total premium (and any applicable surcharges) to avoid a break in coverage.

In the unlikely event that state government shuts down for the entire month of July, your employer will notify the PEBB Program if you do not meet the pay status requirement. If you do not meet this requirement, the PEBB Program would mail a [PEBB Continuation Coverage Election Notice booklet](#) to you in August. This booklet will notify you that PEBB health coverage for you (and any covered family members) recently ended, and will describe your options to continue your PEBB health coverage effective back to July 1, 2017.

If you elect to continue PEBB health coverage, the PEBB Program must receive your completed election form by the date stated on the notice. There are two different options for continuing your PEBB benefits coverage – COBRA or Continuation Coverage (for Leave Without Pay [LWOP]). The [PEBB Continuation Coverage Election Notice booklet](#) describes in detail the differences between these options. Under the partial government shutdown circumstances, in most instances it would be to your advantage to elect Continuation Coverage (for LWOP) (using [Continuation Coverage Election/Change \(for Leave Without Pay\) form](#)) because:

- This coverage also includes continuing life insurance (whereas COBRA does not; instead if you elect COBRA then for life insurance you may have conversion or portability options).
- This coverage lasts up to 29 months for a layoff (whereas COBRA generally lasts up to 18 months for a termination or a reduction in hours).

Neither COBRA nor Continuation Coverage (for LWOP) allow you to continue long-term disability coverage due to a layoff or a reduction of hours.

Under COBRA or Continuation Coverage (for LWOP), you must pay the full monthly premium and any applicable surcharges without a contribution from your employer. The premiums for both options are the same. You can find the premiums in the [PEBB Continuation Coverage Election Notice](#) and on the PEBB Program's home page (<https://www.hca.wa.gov/public-employee-benefits/cobra-and-continuation-coverage/plan-costs>).

An employee's COBRA or PEBB Continuation Coverage (for LWOP) will automatically end when employer-paid PEBB coverage resumes.

If the PEBB Program receives your completed form, monthly premium(s), and any applicable surcharge(s) within the timelines stated in the notice, you will receive health plan coverage for any covered services received in July. If the employee chooses to not self-pay their premium for July, the employee will not have coverage until the first of the month following the date of the recall to work. This could mean the employee would not have coverage until September if he or she is not recalled to work until August 2.

2. ● What actions may a PEBB benefits-eligible state employee take if he or she is affected by the partial state government shutdown, and their spouse is also a state employee who is eligible for PEBB benefits is not affected by the partial state government shutdown?

The employee who is not affected by the partial state government shutdown may submit a [2017 Employee Enrollment/Change Form](#) to their personnel, payroll or benefits office by June 30, 2017, but no later than July 1, 2017, to enroll their spouse under their medical and dental coverage as a dependent.

The employee who is adding their spouse as a dependent may do so under a special open enrollment event. If on July 31, 2017, the employee who is affected by the partial state government shutdown doesn't have at least eight hours of pay status, then after August 1, 2017 the state agency that has the [2017 Employee Enrollment/Change form](#) will process the form and enroll the dependent with a coverage effective date of July 1, 2017. However, if the form is submitted between July 2 and August 1, the effective date of benefits would be August 1, 2017.

Example:

Bill and Jackie are both PEBB benefits-eligible state employees. Bill works at the Health Care Authority and is being affected by the partial state government shutdown. His wife Jackie works at the Department of Transportation (DOT) and is not affected by the partial state government shutdown. Jackie may submit to DOT a [2017 Employee Enrollment/Change form](#) and a copy of Bill's layoff notice to enroll Bill (and any children who are currently enrolled under Bill) under her PEBB medical and dental coverage.

If Jackie submits the form to DOT's personnel, payroll, or benefits office by June 30, 2017, but no later than July 1, 2017, and Bill doesn't end up with at least eight hours of pay status in July, after August 1, 2017 DOT will process Jackie's enrollment change form. Bill (and any children) will be enrolled under Jackie's medical and dental coverage with an effective date of July 1, 2017.

However, if Jackie waits until July 31 to submit her enrollment change form to DOT, when she is certain that Bill does not have eight hours of pay status in July, then DOT will process her enrollment change form and enroll Bill (and any children) in Jackie's medical and dental coverage with an effective date of August 1, 2017. In this instance, Bill should closely review the [PEBB Continuation Coverage Election Notice](#) (see FAQ #1) for his (and his children's) July coverage options.

3. I am a retiree, COBRA member, or PEBB Continuation Coverage member. If the state shuts down July 1, what will happen to my PEBB insurance coverage?

Your PEBB coverage will continue uninterrupted during the government shutdown as long as you continue to pay your premiums. The Health Care Authority will process payments received as quickly as possible after a budget has passed and normal operations resume.

4. I have sent (or will be sending in) my application for retiree, COBRA, or PEBB Continuation Coverage health coverage to the Health Care Authority for coverage beginning July 1 or August 1. Will I be enrolled without an interruption in health coverage if no one is available to process my application?

The PEBB Program will not maintain staff during the shutdown to process applications. Our ability to accurately determine eligibility would also be affected by the shutdown because we rely on resources within other state agencies to determine an individual's eligibility for continuation coverage. We will process applications as quickly as possible once normal business operations resume after the government shutdown.

5. If I come to the Olympia office in person or call PEBB's customer service number (1-800-200-1004), can I still talk with a benefits specialist?

PEBB staff will not be available to provide customer services in the Health Care Authority's lobby during a government shutdown. The PEBB Benefits Services phone line (1-800-200-1004) will also be shut down.

6. I'm an employee who pays for optional coverage (such as optional life, optional long-term disability, or auto/home insurance) through payroll deductions. If I stop working July 1 – 15, and am not paid on July 25, what happens to these coverages?

Each of these coverages will be handled a little differently:

- Optional life insurance: Your PEBB life insurance will continue during July as long as you are in pay status for at least eight hours before the end of the month.
- Optional long-term disability insurance: Your PEBB long-term disability insurance will continue during July as long as you are in pay status for at least eight hours before the end of the month.
- Auto/home insurance: Please contact Liberty Mutual at 1-800-706-5525 or visit one of their [Washington offices](#) to ask about alternate payment options to continue your coverage.

- 7. I'm an employee who has Medical Flexible Spending Arrangement (FSA) or Dependent Care Assistance Program (DCAP) contributions deducted from each paycheck. If I'm not paid on July 25 (because of a government shutdown July 1 – 15), will my Medical FSA and/or DCAP contribution amounts scheduled for July 25 be deducted from future paychecks?**

Yes. Your payroll office will deduct your Medical FSA and DCAP contributions scheduled for July 25 from your next paycheck.

For example, if you normally have \$20 deducted from each paycheck for Medical FSA contributions and don't get paid on July 25, then your August 10th paycheck will deduct \$40 for your Medical FSA contributions (assuming work resumes July 16 – 31), or your contributions may be recalculated for the rest of the year.

- 8. I'm an employee who has health savings account (HSA) contributions deducted from each paycheck. If I'm not paid on July 25 (because of a government shutdown on July 1 – 15), will my HSA contribution amounts scheduled for July 25 be deducted from future paychecks?**

No, HSA contribution amounts scheduled for July 25 will not be deducted from future paychecks. The July 25 HSA contribution will only be taken if there are sufficient funds in your July 25 paycheck. Keep in mind, you may also revise your election amount by sending a new [Employee Authorization for Payroll Deduction to Health Savings Account form](#) to your payroll department upon returning to work.