

PEBA Update

Week ending April 3, 2015

Premera Blue Cross Breach May Impact Some State Health Plan Members

On Tuesday, March 31, 2015, BlueCross BlueShield of South Carolina (BCBSSC) informed the South Carolina Public Employee Benefit Authority (PEBA) that some current and former State Health Plan members and former BlueChoice HealthPlan HMO members may have been affected by the Premera Blue Cross (Premera) data breach. Premera is an independent licensee of the Blue Cross Blue Shield Association serving Alaska and Washington state.

Please be assured that neither PEBA's nor BCBSSC's computer systems were breached. PEBA's commitment to data security remains constant and is always at the forefront of the agency's operations.

BCBSSC and Premera are evaluating the extent of the breach and identifying the individuals who may have been impacted. Data that was breached includes information for members who received services as part of the BlueCard® program in the state of Washington or in Alaska.

The BlueCard® program applies when members receive care outside South Carolina. The out-of-state health care providers file claims with the BCBS affiliate in their respective state and the information is securely passed between the BCBSSC and other BCBS affiliate's systems to process claims. PEBA encourages current or former State Health Plan members or former BlueChoice HealthPlan HMO members who know they received health care provider services in Washington or Alaska and believe they may have been impacted to read the information on Premera's website at www.premeraupdate.com.

Federal law requires that affected members be notified by mail. Those letters will let affected members know about the breach and any free identity repair and credit monitoring services to be provided by Premera.

PEBA is closely monitoring this situation and will provide updates as additional details become available. For now, more information about the breach may be found at www.premeraupdate.com.

PEBA is serious about protecting member information. Learn more about how PEBA is working to keep your personal information safe and secure.

ACA Reporting for Comptroller General Agencies

Federal regulations require government employers to make a good faith effort to follow the Affordable Care Act (ACA) employer mandate. The state of South Carolina will be grouping all employers that share a common payroll center as a single employer.

All departments and state agencies and boards that use Comptroller General (CG) payroll and the CG tax identification number will be considered a single employer, called "The State." Only one report for active employees of "The State" will be submitted to the IRS utilizing a single EIN. For a list of agencies included in the State ALE (Applicable Large Employer), [click here](#).

Representatives from the CG's Office, PEBA, SCEIS and the State Human Resources Division have been discussing the best process for reporting for the State ALE. PEBA will be the reporting entity for **former non-Medicare eligible employees (retirees, COBRA subscribers, and survivors) and their dependents**. The reporting entity for **active employees** has not been identified.

Regardless of which agency is the reporting entity, it is important to note:

- All agencies should track eligibility for benefits and offers of coverage for each of its employees.
- Individual state agencies will not be responsible for compiling and submitting the forms to the IRS or its employees.
- The reporting entity for the State will compile the information required for reporting and file on the State's behalf. For this reason, the information on eligibility and offers of coverage must be entered in a consistent manner by all State ALE members and stored in a central reporting system.
- SCEIS is working on a way for employers to ensure the information required for ACA reporting is captured in the system.
- Once the tracking mechanism is in place, agencies will be required to enter benefit eligibility and offers of coverage in SCEIS for any employee employed on or after Jan. 1, 2015.

We appreciate your patience as we work together to develop and implement a solution for ACA reporting. Additional information will be communicated as soon as it is available.

Vision Plan Members Should Register Again

State Vision Plan members who registered at the EyeMed Vision Care website before Dec. 23, 2014, need to go to the site, www.eyemedvisioncare.com, and re-register.

Because PEBA Insurance Benefits' group number has changed, members who registered earlier will be told they have no active plans when they try to log in to the site. When they register, they will be asked for the last four digits of their Social Security number or their member number. Use the Social Security number.

New Mandatory Retirement Enrollment Process Set

The S.C. Public Employee Benefit Authority (PEBA) recently unveiled a new feature on its secure Electronic Employer Services (EES) website that allows participating employers to initiate and submit retirement enrollment elections for newly hired employees through EES. This enhanced functionality is not applicable for employers whose payrolls are processed by the Office of the Comptroller General because those retirement enrollment elections must be processed through SCEIS. **This new online EES process will become mandatory for non-SCEIS retirement enrollments, except in very limited circumstances, for all employers July 1, 2015.**

The new process requires electronic interaction with the employee. This means the employee must provide a valid email address that he can access. This email address can be the employee's work or personal email, his spouse's email, or his benefits administrator's email address, provided the benefits administrator is available to assist the employee through the enrollment process.

The online enrollment will generally eliminate the following paper forms:

- *Retirement Plan Enrollment* (Form 1100) (For address changes, PEBA will continue to accept a paper form if the member cannot use the Member Access website.)
- *Election of Non-Membership* (Form 1104)
- *Employer Certification of Police Officers Retirement System (PORS) Eligibility* (Form 1107)

The procedure for members to designate retirement beneficiaries has not changed. This process was not automated because South Carolina state statute requires that the beneficiary must be nominated by written designation, duly acknowledged and filed with PEBA. Please advise all new employees that they must complete and submit a paper form *Active Member Beneficiary Designation* (Form 1102) for South Carolina Retirement System (SCRS) or Police Officers Retirement System (PORS) elections or a *State ORP Active Incidental Death Benefit Beneficiary Designation* (Form 1106) for State Optional Retirement Program (State ORP) elections. If PEBA does not receive a beneficiary form the member's designated beneficiary for retirement benefits will default to his estate.

If a newly hired employee elects to participate in the State ORP, in addition to the retirement plan enrollment election, the member must also contact the selected vendor to choose from the available investment products. If the employee does not select any investment products, his contributions will be invested in an approved default fund.

To begin entering a new enrollment, click the new Retirement Plan Enrollment link in EES and follow the instructions. Once you have initiated electronic retirement enrollments, this window will display a history and status of retirement enrollments processed through EES.

If you have any questions, please contact PEBA's Customer Service Department at 803-737-6800 or 800-868-9002 (within S.C. only).

BINs Replacing SSNs on Rejection Letters

Beginning April 6, PEBA will use a subscriber's Benefits ID Number (BIN), rather than his Social Security number, when sending his BA a letter saying an NOE or another document was rejected because of an error. The NOE now has a place for the subscriber's BIN.

If the employee is a new hire and isn't in PEBA's system, the last four numbers of his Social Security number will be used.

Remind Subscribers to Send in Audit

Your help is needed with the Dependent Eligibility Audit. Please encourage your employees to send their dependent eligibility documentation to PEBA Insurance Benefits. We are auditing the remaining employees of each group, and we will eventually get to yours. It will be easier on everyone if most of these employees complete the self-audit.

You can view a list of your employees who have not yet been audited on the "Weekly Dependent Eligibility Report" in EBS.

Ask your employees to gather the required documentation and complete the Self-Audit Dependent Verification Form. **Be sure to attach the form to the copies of the documents** before both are sent to PEBA Insurance Benefits. You may want your employees to send you the documentation first so you can verify they have everything they need before they submit it.

To cover a *spouse*, PEBA Insurance Benefits requires:

- A copy of the subscriber's marriage license
- **Either** page 1 of the subscriber's latest federal tax return with the financial information marked out **or** the Continuing Marriage Affidavit.

To cover a *stepchild*, PEBA Insurance Benefits requires:

- A copy of the subscriber's marriage license
- **Either** page 1 of the subscriber's latest federal tax return with the financial information marked out **or** the Continuing Marriage Affidavit
- The child's **long-form birth certificate**.

The Continuing Marriage Affidavit can be used instead of page 1 of the federal tax return. It is posted on the PEBA Insurance Benefits website under "Other Forms." The completed form must be notarized as proof that the subscriber and spouse are married.

PEBA Update

Week ending April 10, 2015

Changes Affecting Prescription Drug Benefits Beginning July 1

Beginning July 1, there will be a number of changes affecting State Health Plan prescription drug benefits.

The flu vaccine will be offered at no charge to all members covered under the Savings Plan or the Standard Plan. As part of PEBA's Free in '15 campaign, State Health Plan members may get the shot from a participating pharmacy for a \$0 copayment. If a member receives the shot in a participating network doctor's office, the flu vaccine and administration fee will be paid in full; any associated office visit charges will be processed according to regular Plan coverage rules.

The following rules will be added regarding benefits for Attention Deficit Disorder drugs:

Members age 19 and older will require prior authorization for all Attention Deficit Disorder drugs to determine appropriate use and medical necessity. Members who are affected will receive a letter from Catamaran in the coming weeks notifying them of the change.

Quantity limits will be set for Attention Deficit Disorder drugs. A quantity limit program ensures prescribed amounts of a drug are consistent with clinical dosing guidelines and medical literature. Before coverage is approved for any quantity of the drug higher than the dispensing limit, a member's physician must submit a request to Catamaran. Members who are affected will receive a letter from Catamaran in the coming weeks notifying them of the change.

- If the amount of the drug the member is receiving is below the quantity limit, no action is needed.
- If the amount of the drug the member is receiving is above the quantity limit, the member must call Catamaran Member Services at the telephone number on his member identification card. Catamaran Member Services will have a list of the quantity limits for all the affected drugs. The member's doctor will then have the option of asking for prior authorization for a quantity of the drug above the limit.

The "high dollar limit" for ALL compound prescriptions will change.

Currently, all compounds that cost \$500 or more require prior authorization. Effective July 1, the limit will decrease to \$300. This means if a member's compound prescription costs the Plan \$300 or more, it will require prior authorization to determine the appropriateness of the drug.

Members with questions should contact Catamaran Member Services at 855-901-7322.

CG Agencies Grouped as State ALE for ACA Reporting

Federal regulations require government employers to make a good faith effort to follow the Affordable Care Act (ACA) employer mandate. The state of South Carolina will group all employers that share a common payroll center as a single employer.

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- SCEIS is working on a way for employers to ensure the information required for ACA reporting is captured in the system.
- Once the tracking mechanism is in place, agencies will be required to enter benefit eligibility and offers of coverage in SCEIS for any employee employed on or after Jan. 1, 2015.

We appreciate your patience as we work together to develop and implement a solution for ACA reporting. Additional information will be communicated as soon as it is available.

Subscribers Must Show Health Coverage on Tax Form

Under the Affordable Care Act (ACA) individuals must show on their 2014 tax form that they have "minimum essential" health insurance coverage.

As April 15 rapidly approaches, BAs may receive questions about the rule. Please assure subscribers that if they and their dependents were enrolled in the Saving Plan, the Standard Plan or BlueChoice HealthPlan from Jan. 1 to Dec. 31, 2014, they have this coverage. All they need to do is check the box showing "Full-year coverage" on their 1040, 1040A or 1040EZ form. **No further action or documentation is required.**

Individuals enrolled in a health plan through the Health Insurance Marketplace and who received a subsidy for their coverage are in a different situation. They will receive a 1095-A form from their insurer. The form provides information they need to fill out their tax return.

Remember: Subscribers covered by a health plan offered through PEBA Insurance Benefits will not receive a 1095-A form.

More information about the ACA tax provisions can be found at www.irs.gov/aca.

Remind Subscribers to Complete Audit

Your help is needed with the Dependent Eligibility Audit. Please encourage your employees to send their dependent eligibility documentation to PEBA Insurance Benefits. We are auditing the remaining employees of each group, and we will eventually get to yours. It will be easier if most employees complete the self-audit.

A list of your employees who have not been audited is on the "Weekly Dependent Eligibility Report" in EBS.

Ask your employees to gather the required documentation and complete the Self-Audit Dependent Verification Form. **Be sure to attach the form to the copies of the documents** before both are sent to PEBA Insurance Benefits. You may want your employees to send you the documentation first so you can verify they have everything they need before they submit it.

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PEBA Update

Week ending April 17, 2015

Employee Benefit Services Updates

To increase security, PEBA has made all EBS passwords case sensitive.

EBS will be unavailable from 5:30 p.m. on Friday, April 17, until 8 a.m. on Monday, April 20, while the system is undergoing maintenance.

Updated Information on ACA Reporting

The IRS issued the final regulations and versions of the 1094 and 1095 forms in mid-February. After reviewing the final regulations, PEBA has determined:

For employees:

Each employer will be responsible for filing forms for any individual it employed at any time during the preceding calendar year.

Only one consolidated report for active employees of the State ALE (Applicable Large Employer), the payroll processed through the Comptroller General's office, will be submitted to the IRS. See the article, "ACA Reporting for Comptroller General Agencies."

For non-employees:

PEBA will handle the State ALE returns and statements required for non-Medicare eligible retirees, COBRA subscribers and survivors. [Click here](#) for a list of employers included in "The State" ALE.

Other employers that participate in the State Health Plan pursuant to S.C. Code Ann § 1-11-710 (technical colleges, public universities, public school districts and certain public corporations) may designate PEBA as its Designated Governmental Entity (DGE) for making the returns and statements required for its non-Medicare eligible retirees, COBRA subscribers and survivors. [Click here](#) for a list of employers that can designate PEBA as their DGE. **To designate PEBA, employers must compete and submit a form that will be available by May 1.** Employers on this list **cannot** designate PEBA as their DGE.

PEBA will not permit employers that participate in the State Health Plan pursuant to S.C. Code Ann § 1-11-720 (local subdivisions) to designate PEBA to report for its non-Medicare eligible former employees. Local subdivisions must report for their own non-Medicare eligible former employees.

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We appreciate your patience as we work together to develop and implement a solution for ACA reporting. Additional information will be communicated as soon as it is available.

Get Healthier in 2015!

Did you know that your employees may be eligible for free preventive health screenings at no cost to your organization? Free preventive screenings are available for employees and their covered spouses whose primary coverage is the State Health Plan. The screening includes blood work, a health risk appraisal, height and weight measurements, blood pressure check, and lipid panels — a value of more than \$300. We hope you will encourage your employees to take advantage of this benefit, which can improve their health and even save lives.

Healthy employees are happier and more productive. Combine that with convenient on-site screenings to reduce employees’ time away from work and you have a great return on your investment. (Remember there is no cost to your organization.) If you are unable to host a worksite screening, your employees may register for a regional screening. Also, many providers throughout South Carolina offer walk-in screenings to covered employees. A list of regional screenings, as well as of participating providers, is available at www.eip.sc.gov/wellness.

In the coming weeks, you will receive posters, flyers and other materials you can use to motivate your employees. For more information or to schedule a preventive screening for your employees, call PEBA customer service at 803-734-0678 or 888-260-9430 (outside Columbia area).

New Mandatory Retirement Enrollment Process Set

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To begin entering a new enrollment, click the new Retirement Plan Enrollment link in EES and follow the instructions. Once you have initiated electronic retirement enrollments, this window will display a history and status of retirement enrollments processed through EES.

If you have any questions, please contact PEBA's Customer Service Department at 803-737-6800 or 800-868-9002 (within S.C. only).

Minnesota Life Offers an Additional Service

The **Legal, Financial and Grief Resources** service is now available to employees and their spouses and dependent children covered under Basic Life and/or Optional Life insurance through Minnesota Life Insurance Company.

This service, provided by Ceridian, includes legal services, financial consultation and grief support for insured members and their families. Resources include guidance and consultation with professionals over the telephone, comprehensive web and mobile resources, and a 30-minute face-to-face consultation with an attorney for each unique legal issue.

To learn more, visit LifeWorks.com and log in with the username *lfg* and the password *resources*. You also may call 877-849-6034.

Other services include: **Travel Assistance Services**, for active employees, their spouses and dependent children; **Legacy Planning Resources**, for active employees, retirees and their families; and **Beneficiary Financial Counseling**, for life insurance beneficiaries who receive \$25,000 or more. Additional information is available in the February 2015 edition of *PEBA Direct*.

Services provided by Ceridian HCM, Inc., Redpoint WTP LLC, PricewaterhouseCoopers LLP are their sole responsibility. The services are not affiliated with Minnesota Life Insurance Company or its group contracts and may be discontinued at any time. Certain terms, conditions and restrictions may apply when utilizing the services. For more information, visit the appropriate website.

PEBA Offers Caregivers Workshop in Columbia

Taking care of aging relatives can be rewarding, but it can also be stressful and frustrating. At noon on April 22 at the Cecil A. Tillis Center PEBA will offer a free workshop about this challenging task.

Leanne Thompson, M.S., will discuss issues facing the aging, how to avoid burnout and resources that are available to help you care for a loved one. Thompson became interested in working with the aging because of her close relationship with her grandparents. Inspired by her grandmother's experience with Alzheimer's disease, she was director of the Alzheimer's Association for ten years. She is now a part-time geriatric care manager at a law firm.

The workshop is open to employees, retirees and their family members. Participants are invited to bring their lunch.

Click [here](#) to register. For more information, contact Ramsey Makhuli at 803-737-3823.

PEBA Update

Week ending April 24, 2015

Publix No Longer fills 90-day Prescriptions at Mail-order Prices for SHP Members

Effective immediately, Publix pharmacies are no longer part of the Retail Maintenance Network, which permits State Health Plan members to fill 90-day prescriptions at a local pharmacy at mail-order prices. You can find pharmacies that will fill your 90-day supply at a mail-order copayment on the Retail Maintenance Network list on the PEBA Insurance Benefits website, www.eip.sc.gov, under Online Directories.

This only affects 90-day prescriptions. Publix still fills 30-day prescriptions at the appropriate copayments.

Help PEBA Keep Your Employees' Information Secure

The Public Employee Benefit Authority is serious about protecting employees' personal information, just as you are. PEBA has been making some changes that will help you. The best way is to make as many transactions as possible, including initial enrollment, on EBS.

In PEBA's communications with you, the Benefits ID Number (BIN) is replacing the Social Security number (SSN) as a way of identifying employees:

- The Notice of Election form now provides a space for BIN, as well as for an SSN.
- The signature page on the Summary of Enrollment will be updated with the BIN rather than an SSN.
- Rejection letters use the BIN, rather than an SSN.

It is more important than ever to keep copies of all documents you send to PEBA. **Effective May 1, when PEBA sends you a rejection letter, the NOE and any supporting documents will not be included.**

You will need the copies to make corrections. If the NOE has been altered, you must complete a new one.

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Web Updates

Here are the latest updates to the PEBA Insurance Benefits website, www.eip.sc.gov.

- The Affordable Care Act FAQs have been updated with reporting information
- The 2014 premiums have been removed
- These training presentations have now been posted behind the BA login:
 - Insurance Benefits Training (Session 1)
 - COBRA - Continuation of Coverage
 - Retirement, Disability and Death Benefits
 - MoneyPlus
- These documents have been updated under Health and Wellness Programs:
 - Worksite Screening Guide
 - Coordinator Application.

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Healthy employees are happier and more productive. Combine that with convenient on-site screenings to reduce employees' time away from work and you have a great return on your investment. (Remember there is no cost to your organization.) If you are unable to host a worksite screening, your employees may register for a regional screening. Also, many providers throughout South Carolina offer walk-in screenings to covered employees. A list of regional screenings, as well as of participating providers, is available at www.eip.sc.gov/wellness.

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