



**COMMONWEALTH OF VIRGINIA
DEPARTMENT OF HUMAN RESOURCE MANAGEMENT**

Group Administrator Memo #11-03

To: TLC Group Administrators

From: State and Local Health Benefits Programs

Date: April 6, 2011

Re: Amendment to Address New Eligibility Rules Required under National Health Care Reform

On October 1 for certain School Groups and on July 1, 2011, several key dependent eligibility changes will take effect in response to National Health Care Reform requirements. These are highlighted below. The Local Choice Health Benefits Program is not considered a “grandfathered plan.” Attached are a cover letter for employees and a new plan amendment which describes the changes in greater detail. You may send electronic copies to health plan members or hard copies that will be mailed to you for distribution before the effective date.

As specified by health reform legislation, a 30-day Special Enrollment period will be required by groups to allow:

- ♦ Any employees eligible for the program, whether or not they currently participate in a plan, to enroll themselves and to add their eligible dependent children and eligible spouse; and
- ♦ Any employees currently enrolled in a plan to add their eligible dependents before the October 1, 2010 or July 1, 2011 effective date for renewals.

Coverage for any dependents added will be effective on October 1, 2010 or July 1, 2011.

Summary of TLC Dependent Eligibility Changes:

Current Eligibility Rule	Health Reform Change October 1
<ul style="list-style-type: none">▪ Eligible dependents must be unmarried.	<ul style="list-style-type: none">▪ Eligible dependents may be married.
<ul style="list-style-type: none">▪ Eligible dependents may be covered through the end of the year in which they turn 23 years of age.	<ul style="list-style-type: none">▪ Eligible dependents may be covered through the end of the year in which they 26 years of age.
<ul style="list-style-type: none">▪ Covered dependent must reside full-time with plan participant.	<ul style="list-style-type: none">▪ Requirement for full-time residency with plan participant does not apply.
<ul style="list-style-type: none">▪ Participant must provide more than 50 percent of covered dependent's financial support in order to claim the dependent for tax purposes.	<ul style="list-style-type: none">▪ 50 percent financial support no longer required.
<ul style="list-style-type: none">▪ Eligible dependents may have coverage in the participant's TLC plan even if they are eligible coverage at their own place of employment.	<ul style="list-style-type: none">▪ Eligible dependents may have coverage in the participant's TLC plan even if they are eligible for coverage at their own place of employment. If the dependent is enrolled under their employer's plan, the TLC plan will provide secondary coverage.

If you have already completed your Open Enrollment period for an October 1 renewal, you are still required to provide the 30-day Special Enrollment period. Please address any questions to Walt Norman, TLC program manager, at (804) 786-6460 or by e-mail at walt.norman@dhrm.virginia.gov.