

# THE EBS Link

Sept/Oct. 2011

## Did You Know... Medical Leave & Benefits

What does an Employer need to consider when an employee goes out on medical leave? Also, what happens when the medical leave period ends and the employee is not able to return to work?

When an employee goes out on an Employer-approved medical leave, the Employer will be following their internal leave guidelines and the Family Medical Leave Act (FMLA) rules, if applicable, in determining the time frame and how their current benefits are going to be continued during the leave. When such leave occurs, it is important to notify your insurance carrier.

Things to consider...

- If the Employer offers Short Term Disability (STD) benefits, then the Employer should assist the employee in applying for the benefit.
- If the group's medical plan is with a fully-insured carrier, generally the carriers consider that "if an employee is not actively at work, but the Employer still considers the person an employee of the company, the employee can remain on the group plans if the Employer chooses to leave him/her on and continues to pay the required premium".
- If the group's medical plan is self-funded, generally the plan allows an employee to remain on the medical plan for up to 3 months for an Employer approved leave (refer to your plan document for the terms and details).
- If the Employer offers Long Term Disability (LTD) benefits, and the employee's medical disability is going to be for an extended period, then the Employer should assist the employee in applying for the benefit.

When the medical leave has ended and the member is not able to return to work:

- The employee's benefits are normally cancelled due to "reduction in hours" or "termination of employment". COBRA continuation materials will be sent to the employee when health benefits are cancelled due to a qualifying event.
- The employee should be given the life insurance conversion application/information by the Employer for converting their life insurance to an individual policy. If the employee is under the age of 65, they may be eligible for "waiver of premium" if the disability is permanent.

EBS can assist with providing the necessary application forms and will walk the client through the application process. Contact us if we can help.

## Quick Reminder...

Remember to notify your Medicare eligible employees and their dependents whether your plan is credible as determined by CMS. (Read below to learn more and see how EBS can help).

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### **Medicare Part D and Employer Sponsored Prescription Drug Plans**

The **Medicare Prescription Drug, Improvement, and Modernization Act of 2003** added a new prescription drug program to Medicare, referred to as “**Medicare Part D**”. This prescription drug coverage under Medicare became available starting January 1, 2006.

**All Employers/Plan Sponsors who offer a prescription drug benefit have certain on-going requirements regarding Medicare Part D.** EBS, Inc. is available to assist you in this process. A brief summary of the requirements and what EBS can do for our clients is as follows:

- **Annually determine the creditable coverage status** of a client’s prescription drug plan. This will be done at the annual renewal of the medical plan for existing clients and for new clients.
  - For self-insured medical plans**, beginning September 1, 2006, this testing will be done by an actuary at the current cost of \$50 when the annual actuary study for COBRA rates is performed.
  - For fully-insured plans**, the creditable coverage status of the prescription drug plan will be obtained from the insurance carrier.
- **Prepare and distribute a Notice of Creditable Coverage (NOCC)** that states whether the prescription drug coverage is “creditable” (is on average at least as good as the standard Medicare prescription drug coverage) or “non-creditable”. EBS follows the Centers for Medicare and Medicaid (CMS) guidelines for notice content and distribution. **When will EBS distribute the NOCC on behalf of the Employer:**
  1. **Prior to initial enrollment** in the prescription drug plan. The NOCC is a part of the enrollment materials prepared and distributed by the EBS eligibility department **or** is furnished to those Employers who process their new employee enrollments themselves;
  2. **At annual open enrollment for benefit elections.** The CMS guidance states that an individual must have been provided the Disclosure Notice within the past twelve months. The NOCC is part of the open enrollment materials prepared by EBS or is furnished for distribution to those Employers who process their own open enrollment;
  3. **Prior to the Medicare annual open enrollment period, October 15<sup>th</sup> to December 7<sup>th</sup>**, EBS will furnish the names of Medicare eligible employees and dependents and a copy of the current NOCC for distribution by the Employer;
  4. **Whenever the plan no longer offers prescription drug coverage or changes the coverage offered so that it is no longer creditable or becomes creditable, and**
  5. **Upon request by an employee.**
- **EBS will remind Employers that provide prescription drug coverage to Medicare Part D eligible individuals of their requirement to disclose to the Centers for Medicare and Medicaid** whether the prescription drug coverage is creditable or non-creditable. The initial Disclosure to CMS for plan years that end in 2006 was March 31, 2006. **For all subsequent plan years, the Disclosure to CMS Form must be completed no later than 60 days after the beginning date of the medical plan year. With client permission, EBS can process the reporting on their behalf.**

Detailed information on Medicare Part D is located on the CMS homepage at <http://www.cms.hhs.gov/creditablecoverage>. Please contact our office if we can answer questions or be of further assistance.

## Who's Knocking at Your Door?

Yes, it's that time of year again... FLU SEASON! What does this have to do with who is at your door? Well, it can be one of two visitors--either "Mr. Flu", or an "Onsite Healthcare Visitor".



Remember the days of yester-year when house-calls used to be the norm? Well, it's come back (sort of). If you have an option available through your insurance, or a supplemental plan like WhiteGlove Health, Inc., flu vaccinations can be administered in the comfort of your own home or office. For more information, please call EBS.

Of course, if you prefer to go off-site, there are other options, such as visiting your healthcare provider. If you are a participant of Script Care, vaccinations can be administered by paying your co-pay at such locations as CVS Pharmacy, Kroger, Target, etc... (Please contact Script Care or your chain pharmacy regarding this).

In the past flu vaccinations were strongly recommended for children, and those who were pregnant, or elderly. Now the recommended age and qualification is 6 months and older. The important thing is to be healthy. (Of course, some with such severe allergic reaction to chicken egg products or past influenza vaccinations, or if one is under 6 months old, please consult your primary care provider before obtaining any vaccination).

So raise your injection needle (or nasal mist), "Here's to your health"!

## Day of Discovery



As we approach the 4th quarter of the calendar year, let us reflect on these important "dates of discovery" in October:

**1492** - Christopher Columbus "founded" America;

**1873** - Rules were set in motion for American Football;

**1908** - Henry T Ford introduced the first Model-T;

**1927** - The first "talking" movie was released (The Jazz Singer);

**1929** - "Black Tuesday" began when the NY Stock Exchange crashed, beginning the Great Depression;

**1950** - The first "Peanuts" cartoon by Charles M. Schulz delighted us all.

Why not look into something else worth "discovering", such as your benefit enhancements and features. If you would like more help knowing about your current benefits, or want to "discover" something new about benefits, please contact us at EBS.

Visit us on our website:

[www.ebsincorporated.com](http://www.ebsincorporated.com)



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Our intention is to become your resource regarding healthcare issues, benefits, and practical tips. We appreciate your comments and look forward to being of service to you.

Sincerely,



Pete Villemain, President  
EBS Employee Benefit Services, Inc.

**FREE**

**EBS t-shirt.** Email: [vbalfour@ebsincorporated.com](mailto:vbalfour@ebsincorporated.com)

Be sure to include your size and the address.

**Offer Expires: October 31, 2011**