

# **UNDERSTANDING OPEN ENROLLMENT WITH AWB PREMIERA BLUE CROSS PLANS**

## **OVERVIEW**

Most group medical programs provide for a once-a-year open enrollment period when employees or their dependents who are not enrolled in coverage, are allowed to sign up. Because this “general open enrollment” can increase overall costs through a process called “adverse selection” (where individuals tend to go without coverage until they need expensive treatment), some programs have elected to delete general open enrollment. Having no open enrollment can improve overall claim costs.

## **NO OPEN ENROLLMENT**

The AWB Medical program through Premera Blue Cross does not offer general open enrollment. If an employee or dependent declines coverage when it is first offered to them (usually soon after the date of hire), they may not enroll later, with exceptions listed below:

### **EXCEPTION #1 - HIPAA SPECIAL ENROLLMENT**

The Federal Law called Health Insurance Portability and Accountability Act (HIPAA) requires that all plans offer what is called “HIPAA Special Enrollment”. The AWB plan must offer HIPAA Special Enrollment. Under HIPAA Special Enrollment, employees (and dependents) who did not take coverage when it was first offered to them may enroll if:

- The employee or their spouse loses other medical coverage.
- The employee has other COBRA coverage and the COBRA period is exhausted.
- The employee acquires a new spouse or dependent child by marriage, adoption, placement for adoption, or birth.

### **IMPORTANT NOTE**

Employees must request HIPAA Special Enrollment within 30 days of the above events, or coverage will be declined.

### **EXCEPTION # 2 - ENROLLMENT WITH POTENTIAL RATE CHANGE (OPTIONAL)**

In addition to HIPAA Special Enrollment, the AWB program allows employers the option of offering employees additional enrollment opportunities at the group’s renewal date. If the employer chooses to do this, they must allow any and all benefit eligible employees and dependents to take coverage at renewal as long as the applicant submits a health statement and enrollment form 30 days or more prior to the renewal date. The health statement(s) will be reviewed and the employer’s renewal rates may change after the AWB Agency Services staff reviews the health information. Many applications go through without causing a rate change. Some employer groups, however, will receive higher rates to support the higher expected healthcare costs. AWB Agency Services has sole discretion in this process. If AWB Agency Services re-rates a group based on a particular health statement, the group cannot change these new rates even if the employee decides not to enroll. This “Enrollment with Potential Rate Change” process can be difficult because renewal rates are subject to change after the original renewal rates are published and distributed. Employers, therefore, may decline this option if they desire.