

Office of the Insurance Commissioner

ESSB 5940

K-12 School District Employee Health Benefit Data Collection Project

Year 3 Supplemental Instructions - School Districts

Contract PS 2013.18

Description: Supplemental Instructions for Year 3 ESSB 5940 Data Call -
School Districts

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Overview

This document provides supplemental instructions for school districts in the State of Washington concerning the data submission that is required under ESSB 5940. Under this legislation, detailed information about school district health benefits must be reported to the Washington State Legislature.

All Districts – Please Download and Use the Latest Data Collection Spreadsheet

Various corrections have been made because of the issues noted below. So it is very important that all districts that have not yet submitted should use the latest version of the District Data Collection Spreadsheet (3.2), which can be downloaded from the Year 3 district page on the OIC's site: <http://www.insurance.wa.gov/for-insurers/data-calls-reporting/special-data-calls/k-12-health-benefits-data-collection/schools/index3.html>

Further Guidance – WSIPC districts

If WSIPC districts have questions about the changes noted below, or need additional guidance, they should contact their Information Service Center (ISC).

Further Guidance – Non-WSIPC districts

If you have questions concerning the information noted below, or need further guidance, please contact the project team at: Y3DataCallTeam@treinen.com.

PEBB 'Base Rate' for Employees who Waive PEBB Coverage

Districts have to pay the 'base rate' of \$662 to HCA for PEBB-eligible employees who waive PEBB coverage (for example, spouses who are both eligible, but one of whom is covered under the other's insurance). The \$662 is sometimes referred to by districts as the 'Base Rate', and as a 'remittance' by HCA – note that it is not actually a premium as such.

Issue

One of the Year 3 enhancements to Check My Spreadsheet (CMS) in the district Data Collection Spreadsheet is... in Section 7, CMS reports an error if a premium is reported without a plan code or tier of coverage (EE, ES, EC, FF). Obviously for the \$662 'base rate' there is neither a plan code nor a tier of coverage (since the employee in question has declined coverage).

Changes to Check My Spreadsheet (CMS)

The project team has modified CMS to no longer require a plan code or tier of coverage if the premium amount is exactly \$662. The programming that loads district data to the project database has also been changed to handle district contributions of exactly \$662 (together with no plan code or tier of coverage and a \$0 employee contribution) differently from how it handles actual premiums.

Guidance – WSIPC Districts – Employees who Waive PEBB Coverage

Please refer any questions on this to your Information Service Center (ISC) or to WSIPC.

Guidance – Non-WSIPC Districts - Employees who Waive PEBB Coverage

For PEBB-eligible employees who waive coverage, please...

- In Section 3 - define a plan code of 'Waiver' for employees who waive coverage
- In Section 5 (or 6) - offer the plan called 'Waiver' to PEBB-eligible employees
- In Section 7:
 - assign the plan 'Waiver' to employees that decline coverage
 - report a district contribution and a total premium of exactly \$662
 - report an employee contribution of \$0

Dependent Data

Issue

The legislation (ESSB 5940) indicates that eligible dependent (Section 8) data is required. However, as in past years of the OIC K-12 Data Collection Project, some school districts are having difficulty collecting such data.

Background

The only thing that has changed in Year 3 (with respect to dependent data) is that for WSIPC districts, depending on how you configure your WESPaC software and the WSIPC extract, Section 8 data may be included in the extract. Please refer any questions on this to your Service Center or to WSIPC.

Additional Guidance

- Some districts report this data, some do not.
- Given the challenges districts have encountered in gathering this type of data there are no penalties associated with not reporting it, or submitting partial dependent data in Section 8. 'Partial' in this context means dependent data is provided for some covered employees but not for all covered employees.
- The project team will accept your data submission without dependent data, though a warning will be automatically issued when the submitted data is processed and loaded by the project team to our database. It is for the district to decide whether or not to take any action on warning messages.
- Unless you have complete information on a particular dependent please set the dependent flag (Section 7, column O) for that dependent to N. 'Complete' in this context means you have both the age or DOB and gender of the dependent. If you report incomplete dependent data in Section 7 (columns P through S) or Section 8 (columns B through E) then CMS will issue an error. Setting the dependent flag to N and removing the incomplete dependent data will eliminate the error.

Meaning of 'Eligible' and 'Uncovered'

The intent of Section 8 is to gather data on eligible and covered, as well as eligible but uncovered dependents. We have had questions from districts about the meaning of these terms. Below you will find working definitions.

Eligible

An 'eligible dependent' means... someone who could be covered (by insurance obtained through the district), whether or not they are actually covered. If a family member falls entirely outside the eligibility rules then that person should not be listed as an eligible dependent. Normally, eligible dependents include a spouse or registered domestic partner, and children who are under the age of 26.

Uncovered

If a spouse, or other eligible family member, is not covered (by insurance obtained through the district), then that person should be listed as uncovered. **In other words, 'uncovered' in this context does not mean 'not covered at all' it means 'not covered through the district'.** The dependent in question may have coverage that is not obtained through the district. However for the purposes of this data collection project, that person is uncovered.

Employee Group Codes and Plan Codes

Recently, a district reported an error which occurred because they reported excessive numbers of Plan Codes and Group Codes. We subsequently reviewed Year 2 data for all districts – 5 districts had more than 500 unique combinations of group codes and plan codes and one district reported 5,376 combinations.

In Year 3, such large numbers of Plan Codes and Group Codes will be considered erroneous data, and an error will be issued by Check My Spreadsheet (CMS).

Specifically, CMS examines the total number of unique combinations of Group Codes and Plan Codes in Section 6, and flags an error the number of unique combinations (i.e. Group Codes multiplied by Plan codes), exceeds 500. This limit has been put in place because even the largest districts should only have a few dozen unique combinations of Group Codes and Plan Codes.

Guidance – WSIPC Districts – Group Codes and Plan Codes

Please refer any questions on this to your Information Service Center (ISC) or to WSIPC.

Guidance – Non-WSIPC Districts – Group Codes and Plan Codes

Plan Codes

Please...

- Do not report plans that apply only to a single tier of coverage (EE, ES EC and EF).
- Do not report separate plans based on pre and post-tax premiums. There may be different deduction codes in your district's payroll system for pre- and post-tax premium contributions, but pre- and post-tax contributions do not constitute separate plans.

Group Codes

The definition of an 'employee group', for our purposes, is a group of employees that is offered the same array of plans. So...

- If separate groups of employees are offered exactly the same array of plans, then for our purposes they are all in the same employee group.
- If all of your employees are offered exactly the same array of plans, then really you have 2 employee groups: Classified and Certificated. (ESSB 5940) requires that they be reported separately. You also have, by default, 2 groups of employees to whom no benefits are offered: NBO-Cert and NBO-Class.
- If you report more employee groups than you really have, because it is convenient for you to do so (depending on the way your data is structured), we can still accept your data. The danger is that if you also report a large number of plans, and plans multiplied by groups is greater than 500, then Check My Spreadsheet will give you an error.

Plans Example

Correct

BC1 is legitimately reported as a plan.

Incorrect

BC1 is (incorrectly) subdivided by tier of coverage, and by post-tax and after tax. One plan magically becomes eight plans, which is not good:

BC1ATEC	BLUE CROSS PLAN 1 – EMP + CHILDREN – AFTER TAX
BC1ATEF	BLUE CROSS PLAN 1 – EMP + FAMILY – AFTER TAX
BC1ATEO	BLUE CROSS PLAN 1 – EMPLOYEE ONLY – AFTER TAX
BC1ATES	BLUE CROSS PLAN 1 – EMPLOYEE + SPOUSE – AFTER TAX
BC1PTEC	BLUE CROSS PLAN 1 – EMPLOYEE + CHILDREN – PRE TAX
BC1PTEF	BLUE CROSS PLAN 1 – FULL FAMILY – PRE TAX
BC1PTEO	BLUE CROSS PLAN 1 – EMPLOYEE ONLY – PRE TAX
BC1PTES	BLUE CROSS PLAN 1 – EMPLOYEE + SPOUSE – PRE TAX

Employees Offered No Benefits – Employee Groups NBO-Class and NBO-Cert

Background

Recall that the definition of an ‘employee group’, for our purposes, is a group of employees that is offered the same array of plans.

Every employee listed in Section 7 has to belong to an employee group, but since some employees are not offered any benefits this creates the need to have two groups defined in Section 5 that have no plans associated with them. For this reason the project team has created two default groups in Section 5 named “NBO-Cert” for certificated employees to whom no benefits are offered, and “NBO-Class” for classified employees to whom no benefits are offered.

Our legislative directive has been to improve the quality of the data so that policy-makers may have the most accurate information available, which is why we have taken steps in Year 3 to tighten up the CMS validations in all areas of the spreadsheet. The validations in previous years were not as thorough as current validations, and so districts (and carriers) were able to implement various workarounds, which included the use of employee groups that are functionally equivalent to “NBO-Cert” and “NBO-Class”. In year 3, this is no longer possible – Check My Spreadsheet (CMS) will only accept groups having no associated plans that are named NBO-Cert or NBO-Class.

Issue for WSIPC Districts

The WSIPC extract creates two differently-named default employee groups in Section 5 (C and T) and uses them in Section 7, column D, for employees that are not offered benefits.

This worked well in Project Years 1 and 2, however, in Year 3 districts cannot change or rename the NBO-Class and NBO-Cert groups in Section 5. If the NBO-Class and NBO-Cert groups in Section 5 are not used, and comparable groups named ‘C’ and ‘T’ are entered and used for the same purpose, then Check My Spreadsheet (CMS) will issue a validation error indicating that no plans are listed for those 2 groups.

Guidance for WSIPC Districts

On May 13, a new release is scheduled of the WSIPC extract will use the NBO-Class and NBO-Cert employee groups, and will not create or use comparable groups named ‘C’ and ‘T’.

For guidance on a ‘workaround’ that may be used by districts prior to May 13, please see the instructions that were recently issued on this subject by WSIPC, and contact your Information Service Center (ISC) for support.

Questions?

Please contact the project team at Y3DataCallTeam@treinen.com

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