



Special Bulletin

2005 Texas Senate Bill 51 Producer and Employer Group Reminder:

The statements made herein are intended to provide Producers and Employer Groups with a reminder of the 2005 Texas Senate Bill 51 legislation and its resulting impact to the corporate policies and procedures of Blue Cross and Blue Shield of Texas (BCBSTX)*.

This will also serve as notification that BCBSTX has evaluated and adjusted policies and processes to comply with our current understanding of the legislation requirements.

The 2005 passage of Texas Senate Bill 51, Group Premium Payment after Employee Termination, by the 79th Texas Legislature Regular Session, amended Chapters 843 and 1301 of the Texas Insurance Code (TIC). This legislation applies to all **fully insured** PPO and HMO benefit plans issued, delivered or renewed, on or after, **January 1, 2006**. This legislation change does not impact self-funded (ASO) accounts.

Key aspects of 2005 Texas Senate Bill 51 include:

Premium Payment and Coverage After Enrollee's / Insured's Termination

- Group policyholders are liable for an enrollee's or individual insured's premium payments from the time the employee ceases to be eligible for coverage until the end of the month in which the group policyholder notifies the HMO or insurer that the employee is no longer part of the group eligible for coverage; and
- Group policyholders are required to provide coverage for the enrollee or individual insured, under the policy, until the end of the month in which notification is received by the HMO or insurer.

Example: When an employee terms on 08/20/07 and the employer notifies the carrier on 09/06/07, the employer is responsible for paying premium for the entire contract month of September, 2007.

Dental and Vision Single Service HMO's Verification

- 2005 Texas Senate Bill 51 requires that appropriate personnel must be available for verification and preauthorization of health care services for dental and vision single service HMOs between 8 a.m. and 5 p.m. (CT) Monday through Friday for each day that is not a holiday; and
- Dental and Vision single service HMOs must have a telephone system capable of accepting or recording incoming phone calls for verification after 5 p.m. Monday through Friday and all day Saturday, Sunday and legal holidays. Responses are required to calls accepted or recorded, not later than the next business day, after the date the call is received.

Note: Existing confirmation and preauthorization requirements for full service HMOs and insured PPOs were not changed by 2005 Senate Bill 51.

BLUE CROSS AND BLUE SHIELD OF TEXAS* CORPORATE POLICIES AS COMMUNICATED IN DECEMBER 2005:

Operational changes are required by BCBSTX in order to administer the requirements of [2005] Texas Senate Bill 51.

Termination Notifications:

The following operational changes will be effective on **January 1, 2006** for all **fully insured** business, and will apply to existing groups as they reach their 2006 AD.

- BCBSTX will define "month" as the contract month.
- Retro membership terminations and Odd-day terminations for new groups **will not** be accepted on, or after, January 1, 2006.
- Retro membership terminations and Odd-day terminations for existing groups **will not** be accepted on, or after, the group's anniversary date (AD) beginning 01-01-06 and continuing through all 06 anniversary dates.
- Appropriate notification will be required to terminate coverage for an enrollee or insured. Appropriate reporting of an employee's termination from the employer group may consist of any of the following methods:
 - Blue Access for Employers (BAE) portal (**Preferred Method**);
 - Completion and submission of the Group Enrollment Application / Change Form by the employee;
 - Completion and submission of the BCBSTX Coverage Change / Termination Form; or
 - Automated Eligibility Processing (AEP) tape submissions.

****Note:** The BCBSTX Coverage Change / Termination Form should be used in place of providing employee termination notations on billing statements or in the event the employee has been terminated from employment. **Termination notations should not be provided on, or submitted with, the billing statements.**

The preferred method to report a timely termination is by direct entry into the Blue Access for Employers (BAE) portal. Terminations entered into the Blue Access for Employers (BAE) portal are **updated immediately** for employee and employee dependents.

Blue Access for Employers (BAE) can be accessed at www.bcbstx.com/employers and is available Monday through Friday from 6:00 a.m. to 11:30 p.m. and on Saturday from 6:00 a.m. to 3:00 p.m. Blue Access for Employers is **not** available on Sundays. In the case of unscheduled system downtime, the BAE portal will direct employers to alternate sources of documentation and submission of employee terminations.

BCBSTX will also accept termination notices by United States Mail, email, or tape submission (AEP). BCBSTX will consider the received date of a submitted termination notice to be the date the termination notice is **received** by the BCBSTX processing office; **not** the postmarked date of the U.S. mail correspondence. The Automated Eligibility Process (AEP) system will recognize the receipt date as the date the eligibility data file is **received** by the BCBSTX processing offices.

Terminations submitted in writing or e-mail utilizing appropriate Group Enrollment Application / Change Form or the Coverage Cancellation Form will ensure priority processing of the termination request. Employees should submit the completed and signed **Group Enrollment Application / Change Form** to indicate changes to an alternate carrier or other changes to coverage. Employer groups should submit terminations or changes to employees' coverage on the **Coverage Cancellation Form**. The Coverage Cancellation Form should be submitted in the event the employee is unavailable to complete the Group Enrollment Application / Change Form.

UPDATES TO BLUE CROSS AND BLUE SHIELD OF TEXAS* CORPORATE POLICIES, EFFECTIVE SEPTEMBER 1, 2007

BCBSTX has finalized an update to the original Timely Notification internal policy. The update defines membership cancellation processes for fully-insured accounts as described below. The updated policy will be effective September 1, 2007 and will replace all interim compliance processes as of that date.

Termination Notification

If an enrollee is terminated from an eligible employer group during the seven (7) calendar days preceding the end of the month, and the employer group notifies BCBSTX of the termination within the first three (3) business days of the subsequent month, coverage will be cancelled at the end of the month during which the employee was terminated (e. g. an employee terminates employment on 07/28/07 and employer group notifies BCBSTX on 08/01/07, coverage will be cancelled effective 08/01/07).

Submission Methods

Notification to cancel coverage must be submitted in writing through any of the following methods:

- **Blue Access for Employers (BAE)** – the receipt date is the cancellation transaction date documented in BAE.
- **E-mail** – the receipt date is the transmission date on the employer group's email
- **Written Correspondence Received via U. S. Mail** – the receipt date is the BCBSTX processing office receipt date
- **Automated Eligibility Processing (AEP)** – the receipt date is the date of AEP transmission.
Important: Employer Group must answer no-match/discrepancy inquiries and/or make any necessary corrections to the file by the date of the next file transmission; otherwise, the cancellation request will be processed on the next service date following receipt of the corrected information.
- **Fax** – the receipt date is the employer group's transmission date.
- **Hand-Delivery** – the receipt date is the date the delivery receipt is signed by BCBSTX personnel.

Retroactive Cancellations

Retroactive cancellations are allowed only under the following circumstances:

- Fraudulent claim determinations
- New groups or existing groups adding new enrollees as the result of acquisitions may retroactively cancel enrollees added in error provided they notify BCBSTX within 30 days of the date the first bill was mailed. The affected enrollees will be shown as never effective.

Terminations Due to Death

Terminations due to death will be processed retroactively for Employee-only coverage. If the policyholder carries dependents on his/her policy, coverage will be cancelled at the end of the month during which notification is received (e. g., if an employee dies on 09/27/07 and BCBSTX receives notification 10/10/07, coverage will be cancelled effective 10/01/07, if no dependents are covered. If dependents are covered, cancellation will be processed for 11/01/07).

Successor Coverage Documentation Required

BCBSTX will require documentation of successor and/or Medicare coverage, when processing cancellations due to elective terminations related to coverage obtained through successor and/or Medicare policies.

Please direct requests for additional information to your BCBSTX Marketing Representative.



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