



Washington County School District  
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# Administrative Letter A098

## Health Insurance Dual Covered Employees

*Administrative Letter #98 Health Insurance Dual Covered Plans - Approved 11/6/2014; Updated 7/7/2017*

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**DATE:** Reviewed and Updated July 7, 2017 – Lyle Cox  
**FROM:** Lyle Cox, Executive Director Human Resource  
**SUBJECT:** Health Insurance Dual Covered Employees

### Health Insurance Dual Covered Plans

If the District employs a husband and wife who both meet all eligibility requirements for insurance coverage, each employee has the option to enroll in insurance plans independently.

During the Open Enrollment Season eligible dual covered employees will have two health insurance options, as follows:

**Option 1: Enroll Independently....** If you and your spouse enroll independently, one of you will be charged a minimum premium of \$99 per month toward the cost of a two party or family high deductible health plan or any traditional health plan **and** the District will not deposit \$1200 into an HRA account. If a dual covered employee elects the Qualified High Deductible Health Plan employee only, there may be no premium charge depending on your full or part time status.\* Current health insurance regulations prohibit coverage as a dependent in a traditional plan and being enrolling in a Health Savings Account under a separate High Deductible Plan. Plan deductibles will still apply. Having two insurance plans will **not** result in a “0” deductible and are subject to change based on the medical insurance company’s double coverage provisions. Once deductibles are paid, the insurance provider will coordinate your insurance benefits, thus reducing coinsurance but not copays. You will be required to pay copays regardless of your choice for prescription medications until your maximum out-of-pocket limits are met.

\*Insurance premium rates are based on the fractional amount for certified teachers FTE and based on the hourly amounts for classified employee. See District Policy 1200, section 3.2.7 for eligibility.

**Option 2: Enroll in a Family Plan....** You may enroll in a family plan and the District will deposit \$1,200 into an HRA account. HRA funds may accrue over time. Employees are not required to use \$1,200 in a single plan year, as is the case with a flex spending account. Additionally, under this option, you will not be required to pay a premium of \$99 per month for a second health insurance plan.

***NEW THIS YEAR (WITH OPTION 2):***

If you and your spouse elect the High Deductible Health Plan (HDHP) with the Health savings Account (HSA), you may opt to have the District deposit your \$1200 into an HSA account. That means, you can have the \$950 and the \$1200, for a total deposit of \$2150, go to your HSA account\*\* instead of a \$950 deposit in your HSA and a \$1200 deposit in your HRA.

As a dual covered employee electing coverage under the HDHP, you must notify Tammara in the District Benefits Department in writing or by email to specifically request to have your \$1200 deposited in your HSA account. If you do not notify Tammara the District will automatically deposit your \$1,200 to an HRA account, regardless of whether you choose the HDHP with HSA or the Traditional Plan. As a side note, we cannot transfer any of your existing HRA account balance. The option only applies to this year's \$1,200 deposit, available on August 1<sup>st</sup>, 2017.

\*\* The IRS limits HSA contributions to a maximum of \$6,750 per year (+ \$1,000 age 55 and older). Depositing \$1,200 to your HSA account will count toward your maximum annual contribution. District deposits to an HRA will not impact your maximum HSA contribution amount.

**PLEASE NOTE:**

- The District will deposit a total of \$1200 to the eligible employee's HRA account when benefit eligibility date is 8/1/2017.
- If an employee terminates employment mid-year, the HRA benefit will be prorated at the rate of \$100 per month for that coverage period, and the employee will have to repay the District for any "negative" balance on his/her HRA account.
- HRA funds are applied to the Flex spending card, if you elected to have flex spending & card during open enrollment. The flex spending money will be used first before HRA funds are used on the flex card.
- HRA funds may be obtained by submitting appropriate documentation to the account manager, National Benefits Services. (See the attached HRA Plan Claim Form).
- HRA funds may be used for reimbursement of medical and dental deductibles, co-pays, prescriptions and vision (contacts & eyeglasses).
- Participating employees must use their Flex Spending account before they can obtain funds from the HRA account, depending on available balance in the Flex and HRA account at the time the claim is processed.

**Contact National Benefit Services (NBS) at 1-800-274-0503 for HRA**

**account balance information.**

Please do not hesitate to contact me, if you have any questions or concerns regarding this memo after reading the attached documents.