

LTD Claim Procedures

LTD claims should be filed as soon as you know the employee's last day physically on the job. Do not wait for the waiting period or leave to be exhausted to file the claim. Standard Insurance does not require the employee to use all of their leave; however, leave balances are verified for purposes of determining when the benefit period begins.

Standard Insurance will issue a letter indicating the claim is approved, denied, or closed. A request may be closed if Standard does not receive the requested information in a timely manner.

The effective date for the waiver of approved claims is the first of the month the claim is payable. *For example, Standard approved the Basic claim for 8/8/2009-8/31/2009 and the Optional claim 07/08/2009 -07/31/2009 (difference in waiting period – 90 day for Basic and 60 day for Optional). The effective date would be 7/1/2008. (Always use the earliest date).*

The employer will:

1. Complete the State of Washington Long-Term Disability Benefit's Employer's Statement.
 - Date employed – date employee began employment with a state agency, employer group, K-12 school district, educational service district, or higher education institution with no break in coverage.
 - Medical Carrier information and effective dates – list the most recent medical plan. If under a year, provide previous plan information as well.
 - Last day of work before disability commenced – last day physically on the job
 - Salary – salary information does not include bonuses, shift differential, standby, commissions, supplemental stipends, overtime, or any extra compensation. *(for a full explanation see the LTD Plan booklet Predisabilities Earnings section)*
 - Section 4 must be thoroughly and accurately completed.
2. Send the completed Long-Term Disability Employer's Statement to Standard Insurance Company. Include: copies of the employee's Long-Term Disability Enrollment forms, employee's current Classification Questionnaire (CQ), and any documentation from Section 7 of the claim form.

Additional LTD Requirements: The following changes were implemented January 1, 2009:

- For LTD claims with predisability earnings of less than \$8,000 per month, we will be requesting payroll information for three calendar months prior to the employee becoming disabled, through the last day paid.
- For LTD claims that report a predisability earnings of more than \$8,000 per month, we will be requesting payroll information for the previous 12 calendar months prior to the date of disability, through the last day paid. We also require the previous year's W-2 or other applicable tax form.

Payroll information can include payroll records, pay stubs or other documents produced through your payroll software system, with year to date information if available.

3. Send the employee the Long-Term Disability Claim Packet (available for download on the Pers/Pay website).
4. Key the pending waiver (W) in the on-line Insurance screen (except for Higher Education). The effective date is the first of the month following the last day worked.

Note: Employer groups, who do not key updates, please send form to PEBB Outreach and Training. Keep copies of all updates/changes for your records.

5. Continue to collect the optional premiums until notification is received of approval of the claim.

After Approval

1. Standard Insurance Company will send an Explanation of Benefit (EOB) to the employee with payment. The Employer will receive a copy of the EOB. If the claim is paid and closed, or closed, the employee, and the employer will receive a copy of the letter.
2. Key the approval or denial into the PAY1 system. Advise HCA Accounting of any premium adjustments.

Note: Employer groups, who do not key updates, please send form to PEBB Outreach and Training. Keep copies of all updates/changes for your records.

3. If the employee is still active, the employer will refund any premiums. If the employee is in self-pay status or no longer employed, HCA accounting will refund the premiums.

Return to Work

If the employee returns to work part-time, the employer must notify Standard immediately. If the employee returns to work full-time, the Employer must notify Standard again, immediately. When the employee has returned to work full-time, regular duties, the employer will reinstate optional coverage effective the first of the month following the return to work date.

The Enrollment/Change form is not required when the employee returns to work. Enroll the employee in the same coverage as before the last day on the job. If the employee wishes to change coverage, refer to the Applications procedures above. Refer to the Insurance System Manual for instructions.

For additional information on LTD Claims, refer to the LTD booklet “Coverage Provisions”.

Enter Pending Waiver into PAY1

During the time the LTD Benefits are payable, the employee's insurance will continue without payment of premiums. A premium waiver should be pended in the system until the final decision is received.

1. Log into the PAY1 system.
2. Access the subscriber's record.
3. Change the command line to Next Function A.46 and the Type to "U" for Update. Choose Enter.

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REQUIRED APPROVAL - PLEASE SEND FORM TO THE CARRIER
***** A.46 - LTD COVERAGE *****                               MAPA461

SOC SEC NUMBER: 999 99 0010          NAME : BUNNY, BUGS B
AGENCY          : 095                 LTD ENROLLED      : Y
SUB AGENCY      :                     ENR EFF/END DATE: 06 01 2008

== PART ==  ===== CURRENT =====  ===== DESIRED =====  == PEND/APPROVAL ==
              ENR  COV  EFF DATE    ENR  COV  EFF DATE    IND    DATE
BASIC       :   Y      06 01 2008    W      08 01 2008    P    10 07 2008
OPTIONAL    :   Y  090  07 01 2008    W      08 01 2008    P    10 07 2008

PREMIUM EMPLOYEE:      .00          ELIM. PERIOD PERCENT:  .610
RETIREMENT SYSTEM:    OTHERS

NEXT FUNCTION: A 41 TYPE: I SSA: 999 99 0010 AGY: 095 SUB:      PAY ACTION:
INQUIRY ONLY      ENTER-NXT, PF1-HELP, PF2-RETURN, PF3-SYSTEM, PF9-HISTORY
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4. Tab to the ENR column next to the insurance to be waived. This includes both Basic and Optional. Enter a "W" for Waived.
5. Tab to the EFF Date field and enter the effective date. This should be the first day of the month following the last day worked.
6. Repeat steps 4 and 5 for each insurance type.
7. Change the command line to Next Function A.46 and Type to "I". Choose F10. Verify the changes are accepted. The request to waive premiums will pend approval from Standard.

Submit copies of the completed LTD Employer's Statement to Standard, the employee's LTD Enrollment/Change forms, employee's current Classification Questionnaire (CQ) and any documentation from Section 7 of the Claim form. Be sure to keep copies for yourself.

If the employee is still in pay status, continue to collect optional premiums until notification of the decision is received. When you receive a Premium Waiver letter from Standard, complete the approval, denial, or closure.

Enter Waiver Decision into PAY1

1. Upon receipt of the letter, do an inquiry in PAY1 for the employee.
2. From the command line, enter A.46 in the Next Function field. Enter “I” for Inquiry in the Type field. Choose “Enter”.

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REQUIRED APPROVAL - PLEASE SEND FORM TO THE CARRIER
***** A.46 - LTD COVERAGE *****
MAPA461

SOC SEC NUMBER: 999 99 0010      NAME : BUNNY, BUGS B
AGENCY      : 095                LTD ENROLLED   : Y
SUB AGENCY  :                   ENR EFF/END DATE: 06 01 2008

== PART ==  ===== CURRENT =====  ===== DESIRED =====  == PEND/APPROVAL ==
              ENR  COV  EFF DATE      ENR  COV  EFF DATE      IND    DATE

BASIC   :   Y      06 01 2008   W      08 01 2008   P   10 07 2008
OPTIONAL :   Y  090  07 01 2008   W      08 01 2008   P   10 07 2008

PREMIUM EMPLOYEE:      .00      ELIM. PERIOD PERCENT:  .610
RETIREMENT SYSTEM:    OTHERS

NEXT FUNCTION: A 41 TYPE: I SSA: 999 99 0010 AGY: 095 SUB:      PAY ACTION:
INQUIRY ONLY   ENTER-NXT, PF1-HELP, PF2-RETURN, PF3-SYSTEM, PF9-HISTORY
    
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3. Verify the agency number.
4. Verify the waiting period listed in the letter matches the waiting period in the system.

Note: If the waiting period does not match, contact Standard. The employee may have applied for a change that has been approved, but not keyed into the system yet.

Approval

1. Change the command line to Next function A.46 and Type to “U”. Choose Enter.
2. If the request to waive was not entered already, tab to the ENR column next to the insurance that is to be waived. This includes both Basic and Optional. Enter a “W”.
3. If the request to waive coverage was entered and the request is pending, go directly to Step 3.
4. Tab to the Effective Date field under the Desired column. Enter the effective date. The effective date is always the first of the month the claim is payable. To find the date on the Claim Approval Letter, look at the Adjusted Net Benefit for both the Basic and the Optional. Use the earliest date.

For example, Standard approved the Basic claim for 8/8/2008-8/31/2008 and the Optional claim 07/08/2008 -07/31/2008 (difference in waiting period – 90 day for Basic and 60 day for Optional). The effective date would be 7/1/2008.

5. Tab to the IND column in the Pend/Approve column. Enter an “A”.
6. Repeat steps 2 through 4 if the claim includes Optional.

- Change the command line to Next Function A.46 and Type to "I". Choose F10. Verify the changes are accepted. Depending on where your agency is in the invoicing cycle, the coverage may move to the Current column or may remain in the Pend/Approval column until your next invoicing cycle. Set a reminder to check the record after the invoicing cycle completes to verify the waiver has moved to the current column.

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***** A.46 - LTD COVERAGE ***** MAPA461
SOC SEC NUMBER: 999 99 0010          NAME : BUNNY, BUGS B
AGENCY          : 095                  LTD ENROLLED   : Y
SUB AGENCY      :                      ENR EFF/END DATE: 06 01 2008

== PART ==  ===== CURRENT =====  ===== DESIRED =====  == PEND/APPROVAL ==
              ENR  COV  EFF DATE  ENR.....COV  EFF DATE  IND  DATE

BASIC   :   W           08 01 2008
OPTIONAL :   W   090   08 01 2008

PREMIUM EMPLOYEE:      .00          ELIM. PERIOD PERCENT:  .610
RETIREMENT SYSTEM:    OTHERS

NEXT FUNCTION: A 41 TYPE: I SSA: 999 99 0010 AGY: 095 SUB:      PAY ACTION:
INQUIRY ONLY   ENTER-NXT, PF1-HELP, PF2-RETURN, PF3-SYSTEM, PF9-HISTORY

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Depending on the approval date, the employee may be eligible for a refund. Send an email to HCA Accounting indicating the refund amount. Notify the employee of the refund amount and process the refund.

Make a notation on the letter that includes the date the decision was keyed, who keyed the decision, the effective date of the coverage, and any other pertinent information. Place the Premium Waiver letter in the employee's file.

Denial or Closure

It is not necessary to key a denial or closure if the initial request was not keyed and is not pending.

1. Change the command line to Next function A.46 and Type to "U". Choose Enter.
2. Tab to the IND column in the Pend/Approve column. Enter a "D" for denied or a "C" for closed.
3. If the employee has optional coverage, repeat step 2 for optional.
4. Change the command line to Next Function A.45 and Type to "I". Choose F10. Verify the changes are accepted.

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***** A.46 - LTD COVERAGE ***** MAPA461
SOC SEC NUMBER: 999 99 0021          NAME : BUNNY, BUGS B
AGENCY          : 095                LTD ENROLLED   : Y
SUB AGENCY     :                    ENR EFF/END DATE: 06 01 2008

== PART == ===== CURRENT ===== DESIRED ===== == PEND/APPROVAL ==
      ENR COV EFF DATE   ENR COV EFF DATE   IND   DATE
BASIC   :   Y           06 01 2008   W           10 07 2008   D   10 07 2008
OPTIONAL :   Y  090   07 01 2008   W           08 01 2008   D   10 07 2008

PREMIUM EMPLOYEE:      .00          ELIM. PERIOD PERCENT:  .610
RETIREMENT SYSTEM:  OTHERS


NEXT FUNCTION: A 41 TYPE: I SSA: 999 99 0021 AGY: 095 SUB:      PAY ACTION:
INQUIRY ONLY      ENTER-NXT, PF1-HELP, PF2-RETURN, PF3-SYSTEM, PF9-HISTORY
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5. Make a notation on the letter that includes the date the decision was keyed, who keyed the decision, and any other pertinent information. Place the Premium Waiver letter in the employees file.


Sample: LTD Claim Letters

If the employee has both Basic and Optional coverage, two letters will be issued explaining the benefits. To identify which type of coverage the letter is for, Basic or Optional, look at the Minimum and Maximum Benefit payable amounts. The Basic coverage will always have a minimum of \$50.00 and a maximum of \$240.00.

Basic Coverage Letter Sample:

	Standard Insurance Company Benefits Department PO Box 2800 Portland, Oregon 97208-2800																												
<table border="0" style="width: 100%;"> <tr> <td style="width: 33%;">TO: John Doe</td> <td style="width: 33%;">MBR ID: 999-99-0001</td> <td style="width: 33%;">GROUP ID: 10008244</td> </tr> <tr> <td>GROUP POLICYOWNER: State of Washington</td> <td></td> <td>POLICY: 377661</td> </tr> <tr> <td>DATE: 08/15/2008</td> <td></td> <td>CLAIM: 00JD1234</td> </tr> </table>		TO: John Doe	MBR ID: 999-99-0001	GROUP ID: 10008244	GROUP POLICYOWNER: State of Washington		POLICY: 377661	DATE: 08/15/2008		CLAIM: 00JD1234																			
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GROUP POLICYOWNER: State of Washington		POLICY: 377661																											
DATE: 08/15/2008		CLAIM: 00JD1234																											
<p>We are pleased to inform you that your claim for long-term disability (LTD) benefits has been APPROVED. This notice explains how your benefits have been calculated.</p> <p>LTD Benefits have been computed using the benefit formula described in your group policy. Your LTD benefits are reduced by any Deductible Income that you or your dependents are eligible to receive as a result of your disability or retirement (including, but not limited to, sick leave or salary continuation, Social Security, Workers Compensation, Unemployment benefits, rehabilitation wages, and/or retirement benefits).</p> <p>If you are presently receiving Deductible Income which is not shown below, please forward a copy of any official statement you have received about the amount of this income and the period it covers. In some cases, a minimum LTD benefit may be payable if your Deductible Income exceeds a specified amount.</p> <p><i>If you are awarded deductible Income in the future or you return to work or recover from your disability, please notify our office immediately to minimize possible overpayment of your claim. Your monthly LTD benefit is:</i></p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;">Maximum Benefit Payable.....</td> <td style="width: 20%; text-align: right;">\$ 240.00</td> </tr> <tr> <td>Minimum Benefit Payable.....</td> <td style="text-align: right;">\$ 50.00</td> </tr> </table> <p>Deductible Income used in calculation of the first check*: NONE USED FOR THIS CHECK</p> <p>Below is the first check calculation. The first line indicates the dates the benefit Waiting Period began and ended. As you can see, no benefits are payable during the Benefit Waiting Period.</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 15%;">Waiting Period in Days:</td> <td style="width: 15%;">90</td> <td style="width: 50%;"></td> <td style="width: 20%;"></td> </tr> <tr> <td></td> <td>05/07/2008 THRU 08/07/2008.....</td> <td></td> <td style="text-align: right;">\$ 0.00</td> </tr> <tr> <td>Adjusted Net Benefit</td> <td>08/08/2008 THRU 08/31/2008.....</td> <td></td> <td style="text-align: right;">\$ 201.29</td> </tr> <tr> <td>Less Social security Tax</td> <td>.....</td> <td></td> <td style="text-align: right;">\$ -12.48</td> </tr> <tr> <td>Less Medicare Tax</td> <td>.....</td> <td></td> <td style="text-align: right;">\$ -2.92</td> </tr> <tr> <td>FIRST CHECK DUE:</td> <td>09/01/2008 TOTAL</td> <td></td> <td style="text-align: right;">\$ 185.89</td> </tr> </table> <p>If you are eligible for additional LTD Benefits, you will receive them on the 1st of the month.</p> <p>We hope that the above information helps you understand your first benefit check from STANDARD. If you have any questions about your coverage under your group policy, please refer to your Certificate of Insurance or contact:</p> <p style="text-align: center;">John Smith – LTD (555) 555-1212</p> <p>MONTHLY RATE: <i>*Deductible Income received for less than a one-month period is converted to an equivalent monthly rate.</i></p> <p>DAILY RATE: <i>A Daily Rate is used when your LTD benefit or your Deductible Income applies for only a partial month. The Daily Rate is calculated by dividing the monthly rate by the number of days in that particular month.</i></p>		Maximum Benefit Payable.....	\$ 240.00	Minimum Benefit Payable.....	\$ 50.00	Waiting Period in Days:	90				05/07/2008 THRU 08/07/2008.....		\$ 0.00	Adjusted Net Benefit	08/08/2008 THRU 08/31/2008.....		\$ 201.29	Less Social security Tax		\$ -12.48	Less Medicare Tax		\$ -2.92	FIRST CHECK DUE:	09/01/2008 TOTAL		\$ 185.89
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FIRST CHECK DUE:	09/01/2008 TOTAL		\$ 185.89																										

Optional Coverage Letter Sample:

	Standard Insurance Company Benefits Department PO Box 2800 Portland, Oregon 97208-2800
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TO: John Doe	MBR ID: 999-99-0001	GROUP ID: 10008244
GROUP POLICYOWNER: State of Washington		POLICY: 377661
DATE: 08/15/2008		CLAIM: 00JD1234

We are pleased to inform you that you claim for long-term disability (LTD) benefits has been APPROVED. This notice explains how your benefits have been calculated.

LTD Benefits have been computed using the benefit formula described in your group policy. Your LTD benefits are reduced by any Deductible Income that you or your dependents are eligible to receive as a result of your disability or retirement (including, but not limited to, sick leave or salary continuation, Social Security, Workers Compensation, Unemployment benefits, rehabilitation wages, and/or retirement benefits).

If you are presently receiving Deductible Income which is not shown below, please forward a copy of any official statement you have received about the amount of this income and the period it covers. In some cases, a minimum LTD benefit may be payable if your Deductible Income exceeds a specified amount.

If you are awarded deductible Income in the future or you return to work or recover from your disability, please notify our office immediately to minimize possible overpayment of your claim. Your monthly LTD benefit is:

Maximum Benefit Payable.....	\$ 1540.40
Minimum Benefit Payable.....	\$ 50.00

Deductible Income used in calculation of the first check*:

SALARY CONTINUATION	05/01/2008 TO 05/31/2008	\$ 2734.00
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Below is the first check calculation. The first line indicates the dates the benefit Waiting Period began and ended. As you can see, no benefits are payable during the Benefit Waiting Period.

Waiting Period in Days: 60		
	05/07/2008 THRU 08/07/2008.....	\$ 0.00
Adjusted Net Benefit	07/08/2008 THRU 07/31/2008.....	\$ 43.11
FIRST CHECK DUE:	07/11/2008 TOTAL	\$ 43.11

If you are eligible for additional LTD Benefits, you will receive them on the 1st of the month.

We hope that the above information helps you understand your first benefit check from STANDARD. If you have any questions about your coverage under your group policy, please refer to your Certificate of Insurance or contact:

John Smith – LTD (555) 555-1212

MONTHLY RATE: **Deductible Income received for less than a one-month period is converted to an equivalent monthly rate.*

DAILY RATE: *A Daily Rate is used when your LTD benefit or your Deductible Income applies for only a partial month. The Daily Rate is calculated by dividing the monthly rate by the number of days in that particular month.*
