

## New Unpaid Benefits Premium Collection Process

### Overview

The Arizona Department of Administration (ADOA) Benefits Services Division will streamline the billing process for State employees who are unable to pay benefit premiums through their usual biweekly paycheck(s) cycle as of August 14, 2017. There are various reasons why an employee might be unable to pay for benefit premiums, but the most common are:

- Employees who are on leave without pay (LWOP) for a variety of reasons
- Employees who are not working enough hours to cover benefit premiums
- Employee may have other deductions that reduce their pay to the point that benefit premiums cannot be withheld

### Why is this process changing?

Historically, there was no efficient process for tracking, billing, or collecting unpaid benefit premiums. This resulted in extraordinary costs for the State of Arizona as well as burdensome debt and unexpected, untimely and costly benefit loss for affected employees.

- Estimation: There is more than \$1,000,000 in unpaid benefit premiums each year and this is expected to increase due to the requirement of providing benefits to temporary employees.

### How will it be fixed?

ADOA will deploy a standard plan for tracking and collecting unpaid premiums. This will allow the state to obtain payments quicker, communicate more effectively with employees, and empower employees to make decisions sooner. This standard process will ensure that health care costs are paid for those receiving the benefit.

- New Process: Each agency will be given a biweekly Unpaid Benefit Premium report which will allow them to efficiently bill employees for any unpaid premiums.
- Employees will be given a 30-day grace period to make the required payment or benefits will be terminated for non-payment per A.R.S. § 38-653 and Benefit Rule R2-6-107. If benefits are terminated for non-payment, the employee will not be allowed to re-enroll into the Arizona State Benefit program until the following Open Enrollment period.

### Implementation Schedule

The new Benefit Premium process will be available starting the week of August 14<sup>th</sup>, 2017. Agencies will be required to review the Unpaid Benefit Premium report starting on August 16<sup>th</sup> and then distribute the Benefit Premium Billing Statement no later than August 21<sup>st</sup>, 2017.

### Outstanding Amounts Due

If your agency has any employees that have an outstanding benefit premium balance as of August 14<sup>th</sup>, please email Jennifer Bowling in Benefits Operations to obtain a worksheet to complete for HRIS to accurately reflect these outstanding amounts.

### Agency Training

Classroom training will be available at ADOA on August 7<sup>th</sup> 2017 from 2:00 – 4:00 or August 9<sup>th</sup> from 9:00 – 11:00. Training will also be available on our Benefit Services website at <https://benefitoptions.az.gov>

**Please contact Jennifer Bowling if you have any questions at 602.542.7464 or [Jennifer.bowling@azdoa.gov](mailto:Jennifer.bowling@azdoa.gov).**