

**BENEFIT SERVICES DIVISION
 STATEWIDE POLICY**

Policy Number: BSD	Effective: April 1, 2021
Title: Avesis Billing Process for Retirees	Revised:
Policy Owner: Benefit Services Division (BSD)	Last Reviewed:

PURPOSE:

This policy describes the direct billing and payment processes for retirees.

SCOPE:

All State government entities that participate in the Arizona Department of Administration (ADOA) - administered employee health insurance benefit plans. For the purposes of this policy, “State Government Entity” includes agencies, authorities, boards, commissions, councils, departments, and offices of the State of Arizona; the Legislature and legislative agencies; Arizona State School for the Deaf and Blind; Board of Regents; and all departments and agencies of the State Supreme Court and the Court of Appeals.

AUTHORITY:

- A.R.S. § 38-651, Expenditure of monies for health and accident insurance; definition
- A.R.S. § 38-653, Rules and Regulations
- A.R.S. § 20-191, Payment of premiums by mail; date of payment
- A.A.C. R2-5A-C602(D)
- A.A.C. R2-5A-D601(G)
- A.A.C. R2-5A-D602(E)
- A.A.C. R2-6-107
- Family and Medical Leave Act (FMLA)
- IRS Publication 969
- Uniformed Services Employment and Reemployment Rights Act (USERRA)
- Workers’ Compensation Act
- 29 CFR 825.212, Employee Failure to Pay Health Plan Premium Payments
- USA Patriot Act

In general, the following rules and regulations take precedence in the following order:

1. Federal Constitution, laws, rules and regulations;
2. State Constitution, statutes, laws, and Administrative Code;
3. The most recent Human Resources Division policy.

In all cases of conflict between an ADOA BSD policy and other laws, rules and regulations, contact your ADOA Benefit Services Division representative.

DEFINITIONS:

“Benefit premiums” means the amount the employee and/or agency is required to pay to purchase Health Plans coverage for the employee and qualifying dependents. Benefit premium costs are divided into two portions: the portion covered by the employee, which is usually deducted from the employee’s paycheck through payroll deductions, which is referred to as the “employee premium”; and the portion covered by the agency which is referred to as the “employer premium”.

Customer information Process-

“Days” means calendar days, unless otherwise specified.

“Department” means the Arizona Department of Administration.

“Due Date” means the date the Health Plan premiums must be paid to prevent benefits coverage from being terminated.

“Health Plans” means all medical, dental, life, vision, disability, medical, and/or dependent flex plans offered by the Arizona Department of Administration.

“Over-Payment” means payment in excess of the premium amount due to pay for Health Plan’s coverage.

“Partial-Payment” means payment that is less than the full premium amount due to pay for Health Plan’s coverage.

“Retro-terminate” means benefit coverage that is terminated back to the last day of the pay period for which benefit premiums were paid in full.

POLICY:

Retired members enrolled in Benefits Services Division (BSD) retiree Benefit Options are offered the option to enroll. Vision coverage is available only if the retiree has medical or dental coverage with Benefit Options and it is not available as a stand-alone policy. Vision coverage is not subsidized by The Arizona State Retirement System (ASRS) or the Public Safety Personnel Retirement System (PSPRS) nor are premiums deducted from the retiree’s pension payment.

Vision coverage is billed to the retiree directly for a quarterly premium each quarter.

PAYING PREMIUMS

Premiums must be paid directly to the vision administrator by the due date to maintain benefit coverage. Premiums can be paid by personal check, cashier’s check, money order, credit card via customer service, or through the vision administrator’s website for the amount due on the billing invoice. Cash is not accepted. Overpayments and partial payments will be accepted, but are not preferred. Partial payments are not

considered payment in full. No extension of time to pay will be permitted if there is a partial payment. If it is determined that a member has overpaid, a refund will be issued within two (2) weeks of request. Active Retirees will continue to receive a quarterly invoice reflecting premium(s) received or premium credit status. Retiree will not receive an invoice if an annual payment was made, unless requested otherwise.

INVOICING PROCESS:

The vision administrator will generate quarterly invoices for all new and existing retirees in December, March, June and September.

BILLING SCHEDULE:

Billing Cycle	Invoice Date	Premium Due Date	Termination Notice	Non-Pay Report
1st Qtr (Jan, Feb, Mar)	1/15	2/26	3/10	3/10
2 nd Qtr (Apr, May, Jun)	3/20	4/30	5/10	5/10
3 rd Qtr (Jul, Aug, Sept)	6/20	7/30	8/10	8/10
4 th Qtr (Oct, Nov, Dec)	9/20	10/29	11/10	11/10

FAILURE TO PAY - TERMINATION OF BENEFITS:

If a retiree fails to pay premiums owed on the vision administrator’s invoice in full on or before the due date, the retiree’s vision coverage will be terminated retroactively to the last day of coverage for which the premiums were paid in full. A member is responsible for satisfying the full amount by the original due date, otherwise the member’s benefits will be retro-terminated back to the last day of coverage for which the premiums were paid in full, and any partial payments will be returned. A retiree whose coverage has been cancelled for non-payment or underpayment will be responsible for all expenses incurred related to benefit claims and/or services received after the last day of coverage. The retiree will be notified of the termination of benefits with a Non-Payment Termination Letter by mail to their address of record.

Payments for coverage received after cancellation for non-payment will be returned to the retiree. Any premium received by the vision administrator the due date will be refunded to the retiree.

APPEAL PROCESS:

If a retiree believes their benefits were terminated in error and wishes to submit an appeal to the ADOA Benefit Services Division, an appeal form may be sent to benefits@azdoa.gov within 60 days of the termination of coverage.

The Benefit Appeal Form for Retirees can be found on the benefitoptions.az.gov website under the Forms tab.