



## LOCAL GOVERNMENT HEALTH INSURANCE BOARD

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Roger Rendleman  
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November 7, 2019

### MEMORANDUM

TO: Local Government Units

FROM: James J. Bradford, COO  
Local Government Health Insurance Board

SUBJECT: Important Changes for 2020

The Local Government Health Insurance Board approved several important changes regarding the administration of the Local Government Health Insurance Plan for 2020. Please refer to the 2020 Administrative Guide (currently on the LGHIB website) and the Local Government Health Insurance Plan handbook (to be released next month) for more information regarding these changes.

#### **Pharmacy Benefits Manager**

Effective January 1, 2020, the Pharmacy Benefit Manager for the LGHIP will change from Prime Therapeutics to OptumRx. LGHIP active employees and their dependents will see little, if any, disruption in the drug formulary or pharmacy network. However, members will now have a separate prescription drug card.

**Medicare Advantage** – For units that offer coverage for Medicare retirees, effective January 1, 2020, the LGHIP's Medicare Advantage administrator will change from Blue Cross and Blue Shield of Alabama (Blue Advantage) to UnitedHealthcare Group Medicare Advantage. LGHIP Medicare retirees and their Medicare dependents will benefit from lower premiums and out-of-pocket costs, as well as enhanced benefits. (For units that offer dental coverage, Blue Cross will continue to administer the dental benefits. However, members will now have a separate dental card.)

#### **Retiree Eligibility**

For units that offer retiree coverage, effective for employees retiring on or after January 1, 2020, eligibility will no longer be tied to the employee's retirement plan participation. For units that offer coverage for Medicare retirees, disability retirees must obtain Medicare within 24 months of the disability determination to maintain coverage through the LGHIB.

#### **Preferred and Standard Premium Criteria**

Effective January 1, 2020, units in the preferred premium category who are delinquent on two or more premium payments within a two-year period will be placed in the standard rate category for the remainder of that current year and the next two plan years before it will be eligible for the preferred premium category.

### **Employee Eligibility Audit**

The LGHIB has approved an employee eligibility audit for all LGHIP units to begin in 2021. The approved audit procedure is as follows:

1. Notify units of their scheduled employee eligibility audit date. (The LGHIB will be accommodating with the units to ensure that the timing of the audit will be as convenient as possible.)
2. Once a firm date is established, allow 60 days for each unit to conduct a self-audit of their compliance with the LGHIP's eligibility and enrollment rules and present their findings to the LGHIB.
3. Following the submission of the unit's self-audit results, require each unit to provide employee payroll records to the LGHIB within 30 days for verification of findings.
4. Conduct an onsite audit if necessary.

Following the completion of the Audit process, the LGHIB will take the following action as necessary:

1. If self-audit findings are verified, the unit will not be penalized for any eligibility or enrollment violations.
2. Should the LGHIB identify any unreported eligibility or enrollment violations, the LGHIB may, depending upon the nature and severity of the violations, impose one or more of the following actions:
  - a. move the unit to the standard premium category for at least two years,
  - b. require full or partial payment of back premiums,
  - c. require full or partial payment of non-recallable claims.
3. Units that refuse to cooperate with the audit or fail to comply with the above listed actions will be referred to the LGHIB's Grievance Committee for possible group termination.

The Tentative Audit Schedule is as follows:

1. Fall 2019 - Begin announcing employee eligibility audit program to units.
2. Spring/Summer 2020 – Present employee eligibility audit program at the annual Association of County Commissions and League of Municipalities meetings.
3. Summer 2020 – Formally notify units of audit and establish audit dates for 2021.
4. January 2021 – Begin audits.