

# LTD Medical Coverage Stipend

## Questions & Answers

**What is the medical coverage stipend benefit?** If approved for LTD you may receive a monthly stipend added to your LTD check. This stipend is for you to purchase health coverage in the private or public marketplace.

**Does the medical stipend benefit affect or change my LTD wage replacement benefit in any way?** No, your LTD wage replacement benefit is not affected.

**When does my LTD medical coverage stipend begin?** If approved for LTD your stipend will be effective the day after your last day of work, last day on Family Medical Leave or the last day of active coverage, whichever occurs last. The stipend is paid on a monthly basis along with your LTD payment.

**When will I know if I am approved for LTD?** This depends on how long it takes for our team to get medical records and information for the review. We suggest you apply for LTD just as soon as you cannot perform your regular job. On average claims take around 60 days to process.

**When does my active medical coverage as an employee end?** Your employer should be able to give you an idea of when your active medical coverage may end. They are aware of your FML protections, the amount of paid time off available to you and the rules that govern how long they can hold your job open for you. If your employment is terminated your employer will share this information with PEHP and your active coverage will cease.

**Will I have a break in medical coverage and how long do I have to enroll in new coverage?** It depends on when your active coverage ends and when your new coverage begins. It is important to start researching other medical coverage as soon as possible and ask those questions of the new insurance carrier or of your Affordable Care Act “Navigator.”

SEE NEXT PAGE 



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# LTD Medical Coverage Stipend

Questions & Answers » Page 2

**When my PEHP insurance coverage ends will I be eligible for COBRA?** Yes, if coverage ends due to termination of employment. PEHP will mail you a Notice of COBRA Rights when your employer sponsored coverage ends. You will be responsible to pay the entire COBRA premium (102% of the active rate). If you or your dependent(s) enroll in COBRA you will not be eligible for the stipend.

**Will I receive a continuation of creditable coverage letter?** Yes, if coverage ends due to termination of employment. When your employer sponsored coverage ends you will be mailed this letter showing proof of coverage, coverage dates and all members on the plan(s).

**Is there a resource that can help me understand the Affordable Care Act?**

Yes, HealthCare.gov offers many resources and personalized local assistance. Go to <https://www.healthcare.gov/people-with-disabilities/more-information/> and <https://localhelp.healthcare.gov/>. Questions can also be answered by resources at [healthcare.gov](https://www.healthcare.gov) 24 hours a day at: <https://www.healthcare.gov/contact-us/> or by calling 1-800-318-2596. You can use this website to determine if you are eligible for a federal subsidy to offset the cost of medical insurance and to find a “navigator,” a professional health insurance advisor, who can help you select the right health plan for you.

**Will my Family Medical Leave or Leave without Pay affect my stipend?** Leaves may affect your employment status which may affect your eligibility for medical and the cost of medical. Keep in contact with your assigned PEHP LTD Specialist about your employment/leave status to better understand all of your benefits (leave, medical eligibility, LTD, stipend, etc.).

**How is my Medical Coverage Stipend calculated?** The stipend is based on the medical plan and level of coverage (single, double, family) you had on your last day of work. The stipend is equal to 100% of the medical premium for first year on LTD, 90% for the second year on LTD and 80% for subsequent years on LTD. Your stipend will be automatically adjusted on the appropriate dates. Other circumstances may change the amount of the stipend- read below or call our office for more information.

**Will my Medical Coverage Stipend amount change when medical premium rates change each year for my former employer’s group plan?** Yes, your stipend amount will be automatically adjusted when rates change.

SEE NEXT PAGE 

## LTD Medical Coverage Stipend

Questions & Answers » Page 3

**Is my medical coverage stipend affected if I have family coverage on my last day of work but my spouse has other employer sponsored coverage available to him/her?** Yes, if your spouse has other employer-sponsored coverage available you may receive a single rate of stipend rather than a family rate of stipend. We will send a form for you to complete if you have double or family coverage.

**Is my medical coverage stipend affected if I have other employer sponsored coverage available to me?** No this will not affect your stipend. You will be paid at least a single stipend as long as you do not owe money to PEHP, do not elect COBRA, remain eligible for LTD and pursuant to the length of stipend your employer has chosen. Consult your employer or the LTD Program for the length of stipend chosen by your employer.

**Does my Medical Coverage Stipend change if I become eligible for Medicare and when Medicare becomes my primary medical coverage?** Yes, the LTD Program will notify you in writing when your stipend amount decreases due to Medicare eligibility. When you are offered Medicare by the Social Security Administration we encourage you to enroll in Medicare coverage and research Medicare Supplement Plans. PEHP offers Medicare Supplement plans and LTD will send you information about those plans at the appropriate time.

**When will my Medical Coverage Stipend end?** The stipend ends when your LTD ends, when you reach the end of the stipend period chosen by your employer, if you enroll in COBRA, if you owe money to PEHP, or if your former employer ceases to offer PEHP medical plans to their active employees.

**Do I get a stipend for my vision and dental plan premiums?** No.

**Is there access to dental and/or vision plans through the Affordable Care Act's public insurance marketplace?** No, but non-employer based plans are available in the private sector.

**Can I keep my current life plan through PEHP?** Yes, there is no change to the PEHP Life benefit.

**Is the Medical Coverage Stipend taxable?** PEHP will treat the stipend payment as taxable income and will provide a W2 statement to you at the end of the tax year. Consult your tax advisor for specific tax advice.

SEE NEXT PAGE 

## LTD Medical Coverage Stipend

Questions & Answers » Page 4

### **If I owe money to the PEHP LTD program will I get a Medical Coverage Stipend?**

No, members who owe money to PEHP are not eligible for a stipend.

### **My LTD pay is 100% offset by other income, such as Worker Compensation, Social Security, etc. Will I get a Medical Coverage Stipend?**

Yes, as long as you do not owe money to PEHP and do not elect COBRA you may receive a Medical Coverage Stipend.

**Where is the medical coverage stipend documented?** Your PEHP Medical Master Policy has information and rules related to your stipend. Find it at [www.pehp.org](http://www.pehp.org).

**Who pays for my medical coverage stipend?** This is an employer paid benefit. Your employer is billed by PEHP for the stipend you receive.

**How can I get more information about my medical premium stipend?** Refer to your medical Master Policy or Benefit Book or call PEHP Long Term Disability program at 801-366-7583 or 1-800-365-7347 for more information.