



Reminders on how Employees Should Manage their VEHI Coverage with an HRA, when Other Coverage is Involved

Some employees in a VEHI health plan have **other health insurance coverage** as well. It could be through a spouse's benefit plan or a government plan like Medicare, Medicaid or Tricare. (To keep things simple here, we will refer to additional sources of non-VEHI coverage as "**other carriers.**")

Coverage through "other carriers" for VEHI subscribers begs three questions:

- Who pays first generally? (primary vs secondary)
- What is the order of payment if the VEHI plan is primary and integrated with a **Health Reimbursement Arrangement (HRA)**?
- How do you clean up **order of payment errors** with providers that involve other carriers?

Guidelines on the order of coverage and claims payments:

- a. The **VEHI plan** is the **primary payer** in most instances.
- b. An **HRA** is part of a VEHI health plan; therefore, if the VEHI plan is primary, **the HRA must pay directly in tandem with the VEHI plan**, and **before** other carriers contribute.
- c. If an employee has **dual coverage through a spouse**, the employee has primary coverage with VEHI and his/her spouse has primary coverage through the spouse's employer plan. There are rules to determine which coverage is primary for the children, and that will be coordinated by BCBSVT on behalf of VEHI and the spouse's insurance carrier. (See your [Benefit Description Document](#) for details.)
- d. Generally speaking, **Medicare** will be **secondary** for all benefit-eligible active employees and their dependents on the VEHI plans.
 - This means the VEHI plan will pay first, followed by the HRA. Any balance owed will be sent by a provider to Medicare for payment.
 - In rare instances, Medicare could be the primary payer, before the VEHI plan and the HRA contribute.
- e. **Medicaid and Tricare** are always the payer of last resort.
 - The VEHI plan will pay first, followed by the HRA. Any balance owed will be billed by the provider to Medicaid or Tricare.

Occasionally, even when all parties are processing claims and issuing reimbursements in a timely manner, other carriers may pay for a claim when it was **not** their responsibility. Carriers regularly audit accounts to identify these situations and to reconcile reimbursements.

Reimbursement and Reconciliation Challenges

Many doctors and other providers may not be aware of the HRA, and so they billed other carriers (like Medicare, Medicaid, etc.) immediately following the response from BCBSVT. The other carrier may pay these claims. As a result, some employees, or their providers, may be sent HRA funds for claims other carriers will or have paid.

Example: A school employee incurs a claim for \$1,000. The VEHI Gold CDHP applies the claim toward the deductible, and the district's HRA is responsible for some or all of that amount. But the provider bills Medicaid instead, and Medicaid pays the entire \$1,000 amount to the provider. Additionally, the employee (or their provider) receives a reimbursement from their HRA for the same service.

What should an employee do in a situation like the one above?

1. Employees are **not entitled** to keep HRA funds they received for claims **other carriers paid prior** to the employee receiving the funds.
2. An employee, therefore, who receives HRA funds she is not entitled to should immediately **pay the claim amount** to her provider **with the HRA funds** as originally intended.
3. When making the claim payment in step two, an employee should direct **IN WRITING** that the provider (a) **reverse the claim** to the **other carrier** (e.g., Cigna, Medicaid, Medicare, etc.) and (b) reimburse the other carrier with the HRA funds received from the employee.
4. Employees should maintain a **record of payment and correspondence** with their providers.

Providers, again, are familiar with this process, which occurs on occasion even when HRA administrators are processing funds in an accurate and timely way. As mentioned earlier, carriers will audit accounts to look for **other sources of responsibility** and, if warranted, seek to **recover funds** that were paid to employees in error.

Please make this information available to your employees to be sure they are aware of this potential situation and the steps to take to resolve. Thank you.

This communication has been sent to School Business Officials, Human Resources and Health Plan Members.

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