

Spousal Eligibility Frequently Asked Questions

Q1: Why is everyone required to enroll? I'm not planning to make any changes from last year; can't my elections just carry forward?

A1: We want everyone to be informed about the change in eligibility that affects spouses who have access to medical benefits from their employer. Asking everyone to enroll online is the best way to be confident that everyone is being informed.

Q2: What if an employee is married to another employee at our school or at another VPCBC member school? Must the two spouses be on separate medical coverage?

A2: Spouses who are employed at the same school or any other VPCBC member school may be on the same coverage at either school.

Q3: Does eligibility for or enrollment in Medicare render a spouse ineligible for medical coverage under the VPCBC health plan?

A3: No, Medicare does not count as having access to other medical coverage through the spouse's employer. However, if a spouse is enrolled in Medicare and has access to medical coverage through their employer, they may not be enrolled in VPCBC medical coverage.

Q4: Can an employee's HSA balance be used to pay for their spouse's medical expenses, even if they are on their employer's medical plan?

A4: Yes.

Q5: If a spouse accumulated an HSA balance while enrolled in a VPCBC medical plan, but is now ineligible for the VPCBC medical plan, may they use their accumulated balance to pay for medical expenses that are not covered by another employer's medical plan?

A5: Yes, a spouse's accumulated HSA funds can be used to pay for qualified expenses under the spouse's new plan.

Q6: What counts as other medical coverage that would render a spouse ineligible for the VPCBC health plan?

A6: Affordable, minimum essential coverage under a group health plan offered by the spouse's employer counts as coverage that would render a spouse ineligible for the VPCBC health plan. Affordable, is defined by the Affordable Care Act ("ACA") and means that the employee is not eligible for a marketplace subsidy since the plan meets the ACA coverage and affordability test. Most employer sponsored group health plans are affordable and pass the ACA test since employers do not wish to pay the ACA penalties.

Q7: Will spouses be allowed to use the VPCBC health plan as secondary coverage if they have coverage through their employer?

A7: No

Q8: Are spouses allowed to be primarily insured under a VPCBC medical plan if their employer only offers a 'hospitalization' plan or catastrophic medical type of plan?

A8: Yes, if the spouse's employer does not provide affordable, minimum essential coverage that meets minimum value as defined by ACA, the spouse would be eligible for the VPCBC health plan. Policies that are not major medical coverage and not regulated by the ACA do not count as minimum essential coverage. This includes discount plans, limited-benefit plans, critical illness plans, accident supplements, and dental/vision plans.

Q9: Will there be any other exceptions for the quality or cost of the spouse's plan? (Ex: if the spouse only has the option of a HDHP through their employer, can they still stay on the VPCBC plan as primary?)

A9: No

Q10: Is there any special handling required for spouses on COBRA?

A10: If an employee's spouse has coverage available to them through their employer and is terminated from employment, then he/she technically does not have affordable, minimum essential coverage available to them. Despite the fact that an offer of COBRA is made, this will be treated as a qualifying event for the spouse to enroll in the VPCBC group health plan.

If a VPCBC employee is offered COBRA, the employee's spouse would not be eligible to enroll in COBRA if the spouse has access to medical coverage through their employer. If while the employee is on COBRA, the spouse is terminated/loses access to other coverage, then the spouse would become eligible for COBRA as a special enrollee.

Q11: Does the spousal eligibility change apply to pre-65 retirees (current and future)?

A11: Yes, the same spousal eligibility rules will apply to pre-65 retirees. If the spouse later loses affordable, minimum essential coverage this would trigger a special enrollment right, and the spouse could then enroll in the VPCBC plan.