

Additional FAQs for Non-participating Localities Opting-Out of the VRS fund as of July 1, 2012

Responsibility changes and Administrative cost

Q: Who will pay for the ‘legacy claims’ now that my locality has opted out?

Non-participating localities are responsible for any legacy claims. Legacy claims include current approved claims and claims received by DOA and not yet approved by the State Comptroller as of June 30, 2011. Such claims exclude those claims approved by the State Comptroller between July 1, 2011 and June 30, 2012.

Q: Will DOA bill my locality for any costs incurred prior to July 1, 2012?

Your locality will not be billed for any claims payments made by DOA or related administrative fees during FY 2012. However, you will be billed for any claims payments made and related interest and fees incurred during FY 2011. Bills will be issued in August, 2012 for FY 2011 and payment will be due in 30 days.

Q: What will DOA’s fee for FY 2011 be for administrative costs?

For FY 2011, the following fees are applicable:

- Eligibility Determination – review and analysis of each new claim form and related investigative report to determine eligibility and the amount due to the claimant for any out-of-pocket health insurance premium payments incurred between the eligibility date and the eligibility determination date will carry a one-time per case (i.e., per claimant) fee of \$1,575.00. The fee will apply to all cases on which eligibility was determined by the State Comptroller during FY 2011. This fee is subject to change at the beginning of FY 2013.
- Benefit Processing – review and analysis of health insurance coverage/premiums and billing, collecting and paying health insurance premiums for approved LODA claimants will carry a per case (i.e., per claimant) fee of \$160.00. The fee will apply to all existing cases as of the start of FY 2011.

Q: Will DOA bill my locality for claims in which the date of the death or doctor’s permanent disability certification occurred in FY 2012 but were not approved during FY 2012?

No. The LODA Fund will pay the death benefits for any death occurring between July 1, 2011 and June 30, 2012. The Fund will also pay the costs of the related dependent health insurance for coverage from the date of the death through June 30, 2012.

The LODA Fund will also pay the health insurance benefits for any disability claim in which the doctor's permanent disability certification occurred between July 1, 2011 and June 30, 2012. The Fund will only pay the costs of the related health insurance coverage from the date of disability through June 30, 2012.

Your locality is responsible for all future expenses related to these claims effective July 1, 2012.

Q: Will the State Comptroller's office reimburse localities for insurance premiums paid on behalf of claimants who remain in the locality's health insurance pool?

No. Starting July 1, 2012, non-participating localities will be responsible for self-administering and funding benefit payments. The State Comptroller's office will not be making any payments for your claimants.