

| TOPIC | | HYBRID DISABILITY PROGRAM - QUESTIONS and ANSWERS |
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| General | Question | Where can I find information about the VACORP hybrid disability program? |
| | Answer | VACORP's website is www.VACORP.org , which features links to all program information without having to login. Hybrid Disability information is found under the Coverages tab on the main menu. |
| QOM | Question | Where can I find the Questions-of-the-Month that are included in the VACORP Hybrid Disability plan billing request? |
| | Answer | VACORP's website is www.VACORP.org , which features a link to a Question-of-the-Month repository, in addition to providing a great deal of information without having to login. The Hybrid Disability information is found under the Coverages tab on the main menu. |
| General | Question | Will Anthem reimburse the claimant for charges from the physician's office for completing the Short Term Disability (STD) and/or Long Term Disability (LTD) Attending Physician Statements? |
| | Answer | No, but Anthem will reach out to medical providers to obtain this information directly at no cost to the employee. |
| Online Access | Question | Anthem offers online access to communicate and manage disability claims. How do we obtain individual logins? |
| | Answer | Complete the Online Claims Reporting User Agreement found at www.VACORP.org/hybriddisability |
| Contacts | Question | Whom should I contact if I have questions regarding the Hybrid Disability Plan? |
| | Answer | Questions about the Hybrid Disability program should be emailed to VACORPService@Anthem.com . Questions about the billing process should be emailed to billing-hybriddisability@riskprograms.com . Questions related to a specific claim should be directed to the Disability Case Manager assigned to the claim or 844-404-2111. |
| Contacts | Question | Whom should I call with questions about an <u>active</u> or <u>incomplete</u> hybrid disability claim? |
| | Answer | Contact the Disability Case Manager assigned to the claim or call 844-404-2111. Contact information for Case Managers may be found at www.VACORP.org/hybriddisability |
| Billing/ Premiums | Question | When an employee is enrolled in the Hybrid Retirement Plan, do I pay premium only for the month the employee enrolls or do I continue to pay each month? |
| | Answer | You will continue to pay monthly premium for all employees in the Hybrid Retirement Plan as reported to VRS. |

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| Enrollment | Question | Do I need to individually enroll new employees in the disability insurance program? |
| | Answer | No, individual employee details should not be reported to VACORP. which only requires the information requested in the billing remittance. The remittance/invoice requires monthly number and creditable compensation/payroll of all employees in the Hybrid Retirement Plan. After a disability claim is made, Anthem will obtain specific employee details required to administer the claim. |
| Payment Adjustments | Question | May we combine several Hybrid Disability invoice payments and adjustments on one check? |
| | Answer | Yes. If you need to make an adjustment for a previous month, complete an invoice for the month to which the adjustment corresponds and mail with check. Please also provide an explanation about the adjustment so that it can be applied accordingly. Please do not combine Hybrid Disability payments with payment for other VACORP coverage programs. |
| Billing/ Premiums | Question | Do I still send twelve payments for ten and eleven month employees? |
| | Answer | Yes, twelve payments are required for the ten and eleven month employees. Please contact billing-hybriddisability@riskprograms.com to discuss this in further detail if you feel that you will not be able to meet this requirement. |
| Billing/ Premiums | Question | Is the number of Hybrid Retirement employees that we report on the invoice a cumulative number? |
| | Answer | Yes, the number entered on the invoice remittance should be the total cumulative number of all employees enrolled in the Hybrid plan for the month being reported. For example: If you reported one (1) employee in January and you had three (3) new hires in February, the total number of Hybrid plan employees for this report would be four (4). |
| Billing/ Premiums | Question | When and how do I begin to pay for a Hybrid Retirement plan employee? |
| | Answer | Once you enter new employees in the Hybrid Retirement plan using the VRS navigator, they are enrolled in this disability program and payment is due VACORP. Payment is based on the monthly creditable comp reported to VRS. Only the highlighted fields on the invoice worksheet may be edited. This includes Member Number, Member Name, Number of covered employees, Total Creditable Comp, and Month Reported. The rest of the worksheet is protected to ensure the correct rate calculation. |
| Billing/ Premiums | Question | Should I include in the reported creditable compensation the stipend amount paid for working summer school, coaching, etc.? |
| | Answer | No, stipends are not considered part of creditable compensation. The additional stipend amount is not included when determining the amount to be paid for disability benefits. |

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| Billing/ Premiums | Question | Would employers continue to pay for employees that are out on leave without pay (LWOP)? |
| | Answer | VACORP asked for guidance on this from VRS, which only requires premium when the Hybrid Plan employee is earning creditable compensation. Those not earning credible compensation are not eligible for Hybrid Disability coverage during the time in which they are on leave unless the employee is on FMLA, STD or approved leave without pay that is shorter than 30 days. If this is the case, you can keep them on the benefit plan. Just add these employees to the remittance invoice sent to VACORP, even if they are not in your VRS snapshot. |
| Claims | Question | How do we go about filing a claim for disability benefits? |
| | Answer | There are three parts to a Disability Claim Form: (1) Employer section, (2) Employee section, and (3) Attending Physician's Statement. The employer and employee may complete their portions either online https://myspecialtyappsanthem.com/Claims/ALIC or by calling 844-404-2111 . Anthem will contact the treating physician to complete the Attending Physician's Statement. |
| Claims | Question | Where can I direct my hybrid plan employees to obtain a disability claim form? |
| | Answer | The employer and employee may complete their portions either online https://myspecialtyappsanthem.com/Claims/ALIC or by calling 844-404-2111 . Anthem will contact the treating physician to complete the Attending Physician's Statement. |
| Claims | Question | I'm confused about how to fill in the information about my employee's sick leave and compensation on the Employer's Statement. |
| | Answer | Employees may use sick leave to cover the first seven calendar days of the Short Term Disability waiting period if they have leave available. Provided the claim is approved, the STD benefit will become payable on the eighth day of disability and that day begins the count for the 125 work day STD period. This benefit will be the primary source of compensation from the employer. The employee may SUPPLEMENT the Short Term disability benefit with leave if your leave policies allow it, but if the leave is only supplementing the disability benefit and is no longer the employee's primary source of income, the supplemental leave does not need to be reported on the Employer's Statement. |
| Claims | Question | An employee wants to file a Short Term Disability claim. Where do we find the customized hybrid disability claim packet? |
| | Answer | The employer and employee may complete their portions either online https://myspecialtyappsanthem.com/Claims/ALIC or by calling 844-404-2111 . Anthem will contact the treating physician to complete the Attending Physician's Statement. |

Question Is the Employer required to notify VRS when a Hybrid claimant is approved for Long Term Disability?

Answer Yes. The employer may call VRS to provide this information. Contact VRS for additional guidance for this notification. VRS can be reached at 1-888-827-3847.

Claims **Question** Can the Employer or Employee submit completed FMLA paperwork for a Hybrid Disability Claim?

Answer FMLA paperwork is *not sufficient* to use in lieu of the Hybrid Disability Claim's Attending Physician Statement. Each claim submission should include the completed Employer's Statement, Employee's Statement and Attending Physician's Statement in order to be considered a complete claim.

Claims **Question** I have an employee on the hybrid plan that has been called out of state to care for her parents. Both of her parents have been hospitalized and are having surgery. Would my employee qualify for a temporary disability under the hybrid disability plan?

Answer No, the VACORP Hybrid Disability Plan provides income protection only in the event that a Hybrid Plan employee is unable to work due to their own physical disease, mental disorder, injury or pregnancy.

**Eligibility/
Counting
STD Days** **Question** A teacher was disabled during summer break, a non-contract period, but she continued to receive her 10 over 12 pay during that time. How do I calculate the Last Day Worked, the Benefit Waiting Period, the Last Day Compensation was paid and the 125th Workday for this disability?

Answer Date of Disability drives every claim, even if the disability occurred during a non-contract period. The Last Day Worked will be the last day of the prior contract year. The Benefit Waiting Period is the next seven consecutive calendar days from the Date of Disability, which counts as Day 1. The last date through which compensation was paid would be the seventh day of disability. The type of compensation in this scenario during a non-contractual period would be spread pay, installment pay, or whatever name your entity has given to the 10 over 12 payments. The Notice of Decision may indicate that benefits become payable on the eighth day of disability, but the Code of Virginia indicates the benefit is only payable on workdays (contract) days. Payment of the benefit would not begin until the first day of the next contract year, assuming the period of disability extends into the new school year. The 125th workday count excludes non-contract work days so summer break is excluded and the workday count begins with the first day of the next contract year. Contracted work days, paid holidays and snow days are to be included in the 125th workday count.

Claims **Question:** How do I update the disability case manager when my employee actually goes out on disability after filing an "anticipatory claim" (in anticipation of having her baby or surgery)?

Answer Contact the Disability Case Manager assigned to the claim or call 844-404-2111. Contact information for Case Managers may be found at www.VACORP.org/hybriddisability

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| Claims | <p>Question I just received a call from a hybrid plan employee who is pregnant. She indicated that her doctor wrote her out the entire FMLA period for recovery, nursing and bonding. Will the employee be able to receive the STD benefits for the entire 12 weeks based on the medical note?</p> <p>Answer Short Term Disability is payable only while the employee is medically disabled, in this case due to pregnancy and delivery. Nursing and baby bonding are not covered conditions for STD benefits. If the disability is no longer medically supported beyond the normal pregnancy recovery period - dependent on the type of delivery, but the employee chooses to stay out of work longer for nursing and baby bonding and that time is permitted under FMLA, she would need to make arrangements with you to use leave or go unpaid. Disability is defined as a physical disease, injury, pregnancy, or mental disorder that prevents an employee from performing the material duties of their occupation with reasonable continuity.</p> |
| Eligibility | <p>Question When does a new employee become eligible for non-work-related disability benefits?</p> <p>Answer New employees become eligible for non-work-related disability benefits on the day following completion of 12 months of continuous employment in Hybrid Retirement Plan. The date of hire is used as the basis for the beginning of the 12-month waiting period. For teachers, non-contract days count towards the 12-month waiting period.</p> |
| Eligibility | <p>Question If an employee is hired mid month is their plan effective the first of the month following?</p> <p>Answer Eligibility aligns with your hybrid retirement program. You must include all Hybrid plan employees that are reported to VRS on the monthly disability insurance remittance/invoice sent to VACORP.</p> |
| Eligibility/ Counting STD Days | <p>Question Why do I need to provide the employee's 125th workday for a Short Term Disability claim? How is this determined?</p> <p>Answer This info is needed to have an STD end date in the system, which enables setting the necessary flags for review of a claim to determine whether it may roll to Long Term Disability. The 125th workday also represents the Maximum Benefit Period (MBP) for Short Term Disability benefits under the Hybrid Plan. You would begin counting the 125th workday from the benefit payment start date. Snow days and Paid Holidays are counted as regular working days when counting an employees' 125th working day. <u>Regarding school divisions:</u> If the MBP for STD falls AFTER the end of a contracted school year, the 125 days are supposed to be "work days", so the MBP should NOT be during the summer months. For STD, the claim would close for the non-contracted time (i.e., summer) and reopen when the contract is active again and the claimant is still disabled. If an STD claimant's contract is non-renewed, the 125th workday is still required as they could be eligible for LTD.</p> |
| Benefit Waiting Period | <p>Question I have a question regarding the benefit waiting period. I know there is a seven day benefit waiting period before benefits pick up. We have an employee who was in the hospital last week. This employee is able to work this week, but will be scheduled for surgery at the beginning of next month. Is there any way to count the five days that this employee was out last week and in the hospital as part of their first seven days once the surgery is performed – or--- do the days have to run consecutively with the time you are out?</p> <p>Answer Under the state code driving the VACORP Short Term Disability plan, the employee must be continuously disabled during the benefit waiting period of seven calendar days. Unfortunately, the five days your employee missed last week cannot be applied toward the Short Term Disability Benefit Waiting Period of seven continuous calendar days, since there is a gap between when the employee was absent and the scheduled surgery date. This employee will have to satisfy the Benefit Waiting Period of seven continuous calendar days at the time of their surgery in order to claim her Short Term Disability benefits.</p> |

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| Benefits Calculation | Question | How do we calculate short term disability benefit payment for teachers/employees with Equalized Payroll/Deferred Salary? |
| | Answer | Short Term Disability (STD) benefit amount depends on how the pay is reported to VRS. If the annual salary is divided by 10 and reported to VRS 10 times, the monthly STD benefit is based on that number. For example, \$20,000 annual salary/10 = \$2,000 credible compensation reported to VRS. STD benefit is 60% of \$2,000 or \$1,200. If annual salary is paid over 12 months and reported to VRS 12 times, example, \$20,000 annual salary/12 = 1,666 credible compensation reported to VRS. STD benefit is 60% of \$1,666 or \$1000. STD benefits cease during non-contract period (summer break). Teachers on STD whose annual salary is reported over 12 months will get an increase in pay when summer starts (contract days end). While their STD benefit stops, their normal payroll would pick back up at 100%. If they remain disabled at the start of the new contract year, they would go back on STD benefit at 60% pay. |
| Benefit Payment | Question | Who issues the benefit payments when a Hybrid employee goes out on Short Term Disability? |
| | Answer | The employer issues the disability benefit payments (from its usual payroll method), as this is a self-insured program designed by the General Assembly. |
| Snowdays | Question | Short Term Disability benefits are payable for up to 125 workdays. Are snow days considered workdays? |
| | Answer | Yes, snow days are workdays. They are not considered an interruption in employment, so they are workdays. |
| Other Coverage | Question | Can Hybrid Plan employees with employer-provided disability insurance purchase an additional, individual disability insurance policy from an outside vendor? If so, will they remain eligible for the Hybrid Disability benefit? |
| | Answer | Hybrid Plan employees may purchase individual disability insurance from another vendor and remain eligible for the Hybrid Disability Program benefits. However, this provides duplicate coverage. Since you already provide disability insurance for the Hybrid Plan employees, it is unnecessary for them to purchase individual disability insurance after the 1 year waiting period ends. It is within your discretion, as employer, whether you allow individual payroll deductions for this duplicate coverage. |
| Rate Guarantee | Question | Does Anthem have a rate guarantee for the VACORP Hybrid Disability Program |
| | Answer | Yes, Anthem rates are guaranteed through June 30, 2024. |

Claims **Question** **I heard Anthem made some changes to the way they originally were processing Hybrid Disability claims. Can you give me some details?**

Answer

Yes, Anthem listened to member feedback and made changes to improve the disability claim turnaround time. They have also included some helpful hints for a smoother claims process. These include:

- Expedited approval of maternity claims: once the claim has been filed and eligibility has been determined, Anthem will approve these claims based on the expected due date and follow up to confirm delivery date, type and status of the employee.
- Anthem will approve with Out of Work Notice or Attending Physician Statement.
- Claims notices are uploaded to portal and available for status review within 24 hours of receipt.
- Weekly reports are available to view in the online portal every Monday with claims information for the week prior.

Please keep the following in mind when filing a claim:

- o Anthem accepts telephonic, online or paper claims. Telephonic and online claims are preferred.
- o When filing online claims, complete as much information as you have available. This claim notification will begin the process; Anthem will gather any missing information after receiving the online or telephonic claim notification.
- o The eligibility template can be uploaded with online claim submission OR emailed to LDClaimsTeam@anthem.com.

Claims **Question** **How long will does a claimant have to file a disability claim with Anthem? Can the employer establish a policy regarding timely filing of employee disability claims?**

Answer

Anthem will accept and process disability claims filed up to 12 months after the date of disability. After this time, the claim becomes a stale, dated claim. Employers can create internal policies requiring disability claims to be reported sooner than 12 months. The Hybrid Disability Program legislation does not specify how long an employee has to file a disability claim.

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| Partial Disability | Question | What is partial disability and can the employee come back to work under a reduced capacity and be eligible for STD benefits? |
| | Answer | A partial disability means an employee has a condition that allows them to perform some of their duties and work. They are eligible to receive a partial disability payment if they are unable, due to their disability, to earn 80% or more of their Predisability Earnings. Under the STD plan, an individual can continue to receive the STD benefits when working in a reduced capacity as long as they continue to meet the Definition of Disability under the STD plan. Please be sure to notify Anthem directly if an employee returns to work in a reduced capacity. Anthem will need to be notified of the employee's work hours and earnings to determine if the employee continues to be disabled under the STD plan and eligible for continued STD payment. |
| Adoption | Question | Does the Hybrid Short-Term Disability plan cover time away for an adoption? |
| | Answer | The Hybrid Disability Program provides benefits for Hybrid Plan employees that are disabled. To qualify for the benefit, the employee must have an illness, injury or other condition, such as surgery, pregnancy or a major chronic or catastrophic condition preventing the employee from performing the full duties of his or her job. Time away from work for an adoption is not a covered benefit. |
| VRS Snapshot | Question | Why does VACORP need the Snapshot from the VRS website, and is there anything else I can send instead? |
| | Answer | The program cost is based on the number of lives and the total creditable compensation for all employees enrolled in the Hybrid Retirement Plan as reported to VRS each month. The Snapshot total for your Hybrid Plan employees is a quick reference page available on the VRS Navigator, which provides corroboration of the information provided on the invoice self-reported to VACORP. Please do not send the Payment Scheduler Maintenance page from VRS Navigator, as this does not provide the information VACORP needs. (This shows contributions to retirement and life insurance but not the Hybrid Plan.) Similarly, please do not send internal spreadsheets sharing personally identifiable information. Please contact billing-hybriddisability@riskprograms.com with questions. |
| 1% Pension Benefit | Question | When my employee transitions to LTD, how do I handle the 1% pension contribution to VRS? |
| | Answer | Once Anthem receives the Notice of Award from the Social Security Administration that a LTD claimant has been approved for Social Security Disability, Anthem calculates the additional benefit due for the Pension Benefit Rider. Anthem issues a check payable to the entity, c/o the LTD claimant in the amount of the Pension Benefit (including any retroactive benefit in the first payment). Anthem sends a letter about the Pension Benefit Rider to the LTD claimant, with a copy sent to the entity. The Pension Benefit Rider letter notifies the LTD claimant of the additional benefit made payable to the entity on their behalf to be applied to their VRS Pension account; indicates the amount and the anticipated duration of the monthly Pension Benefit; explains the amount of any retroactive payment, as applicable; and directs the claimant to contact the entity for details on how/when the payment is applied to their VRS account. |

COVID-19 Guidance **Question** **To protect the health and safety of Virginians and reduce the spread of COVID-19, the Governor issued Executive Order 53 dated March 23, 2020. This orders the closure of certain non-essential businesses, limits the number of people that may gather, and closes all K-12 schools for the remainder of the 2019-20 academic year. This governmental action has raised many questions relative to processing disability claims, particularly for schools. The following guidance is provided to assist in processing Hybrid Disability claims.**

Answer **Guidance provided by One Digital:** Employees may be eligible for payroll benefits under the Family First Coronavirus Response Act or The CARE Act. Call One Digital directly for assistance with this category of benefit. 804-249-5152

1 A person who is working from home and drawing regular hourly wages or salary becomes disabled because they have contracted COVID-19, which is a covered disability under the Hybrid Disability plan. Claim needs to be filed, as the person will no longer be able to perform their work duties from home; claimants will be paid disability benefits like any other illness in accordance to the schedule of benefits.

2 An employee who is at home, is not working but is drawing regular wages becomes disabled due to COVID-19 or any other illness or injury: Claim needs to be filed, as there is a disabling injury or illness; Anthem will approve a claim but will have a \$0.00 benefit as the employee has no loss of income; it is important to file the claim so the accident/injury is on record should it become a prolonged injury or illness requiring long term disability

3 Entity or school is closed for business but is continuing to pay employees and has employees who are at home and not working. If this is the case and that entity or school division had an employee who went out on short term disability prior to the closing, we recommend that employee is taken off disability; normal payroll should be paid to this employee from the date they closed or as soon as possible after closing; no sick leave or annual leave should be deducted from payroll after the date of the closing.

4 What if entity or school is furloughing employees? For employees that are furloughed, the disability coverage will be maintained as long as premiums are paid; the plan will not pay a disability benefit, unless there is a medical condition (injury / illness) that triggers disability payment.

COVID-19 Guidance **Question** **Does the Hybrid STD policy cover absences for COVID-19? After the seven day waiting period, if an employee is confirmed or suspected they will be out more than one week, should we file a claim?**

Answer In order to receive disability benefits an employee must have a **disability diagnosed by a physician and a loss of income**. If an employee has been diagnosed with COVID and is unable to work, they should submit a STD claim. As long as they have a physician certifying their disability and a positive COVID test, the claim is medically supported and would be approved. Outlined below are several scenarios:

- Employees who are diagnosed with COVID but are asymptomatic and able to work from home would not be considered disabled, as long as the employer supports work from home and there is no loss of income.
- Employees who are diagnosed with COVID but are asymptomatic and unable to work from home would be considered disabled if the employee has a loss of income because they cannot perform their work from home.
- Employees who are asymptomatic and self-quarantining are generally not approved for disability benefits because a physician must certify the disability for a claim to be approved.

Employees may also be eligible for Emergency Paid Sick Leave (EPSL) or Expanded FMLA through the FFCRA. Benefits paid by these programs would offset any Hybrid Disability benefit. Additional information on eligibility for EPSL and EFMLA is available through the Department of Labor.

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| Counting STD Days | Question | When calculating the Short Term Disability (STD) period of 125 workdays, what days should/should not be included in the count? |
| | Answer | The 125 workday STD period is based on a Monday-Friday workweek and includes paid holidays, contracted workdays, and paid Snow Days. The 125 workday count excludes non-contract days, such as summer break for teachers, non-paid Holidays, and non-paid Snow days. For contracted employees/teachers on STD, the 125 workday count stops at the contract end/summer break and continues (or begins) with the first day of the next contract year, if the employee remains disabled. As each STD claim nears the 125th workday, Anthem will request your validation of the 125th workday. This may require you to list your “non workdays” to arrive at the correct STD period/LTD start date. In lieu of this, you may provide your work/school calendar to Anthem, who is committed to making this process as easy as possible. |
| FMLA | Question | What should we know if we want to terminate an employee on STD because the employee has exhausted FMLA, but is still eligible for STD and may also be approved for LTD benefits? |
| | Answer | <ul style="list-style-type: none"> • All ADA and FMLA requirements will supersede in any employment terminations. This gives you the chance to handle each situation individually. • Do you outline what happens to employees after exhaustion of FMLA in your handbook? If not, you may not want to outline this for Hybrid Plan employees <ul style="list-style-type: none"> o When you have a policy spelled out and documented in your employee handbook, you must follow that every time. • If the intent is to let go every employee when they transition from STD to LTD, then we would recommend seeking legal advice. |
| LTD Claims | Question | Information you need to know when employees have been approved for LTD: |
| | Answer | <ul style="list-style-type: none"> • Once the employee is eligible for LTD, Anthem will begin paying the disability benefits; you should terminate benefit coverage and notify the employee of their COBRA eligibility • You need to notify VRS that this employee is on LTD. You can do this by calling the VRS customer service line at 888-827-3847 or connecting with your VRS Account Representative • You need to continue to report the employee to VRS; you would need to leave them on the VRS report in case they are approved for the 1% contribution based on the SSDI approval (but that doesn't always happen with LTD). • Additionally, once an employee is on LTD, <ul style="list-style-type: none"> o Their 4% member contribution will stop o They will continue to accrue VRS service credit |

**Contact
Changes**

Question **We have had some recent staff changes. How do we update our contact information with Anthem and VACORP to ensure the appropriate people within our organization are receiving correspondence?**

Answer

This is important so both Anthem and VACORP provide information to your appropriate staff members.

Claims Contact: When you have a staff change in the person that handles disability benefits, send an email to the Anthem Service Team for the Hybrid Disability program at VacorpService@anthem.com. In your email, provide the name and email address of the new person and the name to be removed from the list, as needed. In addition, indicate the type of correspondence the contact should receive (claims and/or day-to-day). Please keep in mind, new staff members may need to complete the Anthem online user agreement to receive a login to access claims information. This is available on www.VACORP.org under Coverages, Hybrid Disability.

Billing Contact: When you have an employee that needs to receive VACORP's monthly billing, send an email to billing-hybriddisability@riskprograms.com providing the name and email address of the new person – there can be more than one – and the name to be removed from the list.