



Implementation Update – Line of Duty Act (LODA)

October 11, 2016



Overview of HB 1345 Changes

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HB 1345 makes changes to the Line of Duty Act, effective July 1, 2017:

- ❑ Transfers LODA **eligibility determinations** to the Virginia Retirement System (VRS)
- ❑ Transfers LODA **health insurance administration** to the Department of Human Resource Management (DHRM)

Overview of HB 1345 Changes



HB 1345 makes changes to the Line of Duty Act, effective July 1, 2017:

- ❑ Implements ongoing eligibility requirements:
 - ❑ Beneficiaries lose benefits if earned income is above salary at time of disability, indexed for inflation (does not apply to those whose death or disability occurred before 7/1/2017; applies to those whose coverage is based on a disability that occurs on or after 7/1/2017)
 - ❑ Spouses lose benefits if they remarry, regardless of when death/disability occurs (applies beginning 7/1/2017 to spouses currently in the program and to those in the future)
 - ❑ Beneficiaries lose benefits at Medicare age if LODA eligibility is based on a death or disability that occurs on or after July 1, 2017 (except those disabled under SSDI or Railroad Retirement Disability)

Overview of HB 1345 Changes



HB 1345 makes changes to the Line of Duty Act, effective July 1, 2017:

- ❑ Permits employer information to be added to record as part of initial eligibility determination (applies to those cases where disability or death occurs on or after July 1, 2017)

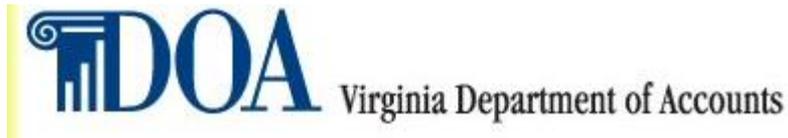
- ❑ Creates a LODA appeal process under the Virginia Administrative Process Act and allows employers to participate in the appeal process (applies to those cases where disability or death occurs on or after July 1, 2017)



Implementation Progress

Established a cross-leadership team to coordinate implementation.

- Team includes the Department of Human Resource Management (DHRM), the Department of Accounts (DOA) and the Virginia Retirement System (VRS)
- Regularly scheduled coordination meetings
- Outreach initiated with Virginia State Police



Team established a project plan that is on schedule.

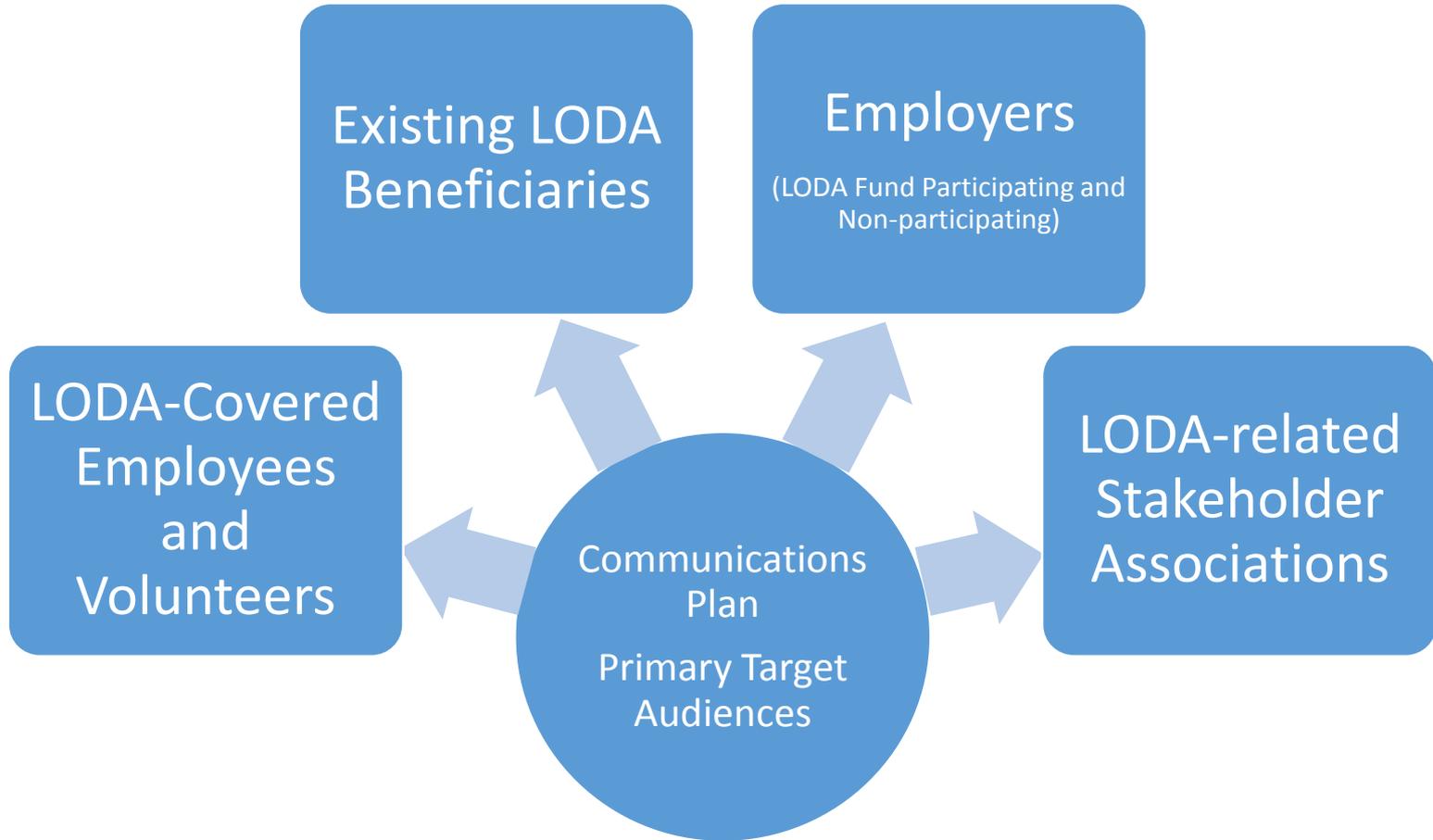
- Modified the existing VRS Medical Board contract to accommodate LODA claims
- VRS completing an analysis of administrative processes under existing LODA provisions
- VRS developing administrative processes for the new LODA provisions





Communications Planning

Communications Planning



Developed outreach and communications strategies to occur throughout the implementation.

- Strategies call for use of variety of communication tools and outreach methods:
 - VRS Employer Update e-newsletter
 - Direct mail (anticipate first joint communication to beneficiaries in Jan.)
 - Email to targeted audiences
 - VRS employer outreach through employer roundtables
 - Webinars
 - Education/Training modules
 - Presentations
 - Dedicated LODA website



LODA website topics:

- LODA benefits overview
- Claim process information
- Forms and publications
- Employer-dedicated area of the site



Addendum

Changes to LODA Administration



Current LODA Provisions

Eligibility determinations and health insurance benefits administered by DOA

LODA health insurance benefits vary depending on the employer

Employers do not have a formal role in the eligibility determination or appeal processes

Appeals of eligibility determinations are given a *de novo* review in circuit court (i.e., a completely new trial without regard for DOA's determination)

Employers are required to train LODA-covered employees on LODA benefits upon hire

New LODA Provisions as of 7/1/17

Eligibility determinations administered by VRS; health insurance benefits administered by DHRM

All LODA beneficiaries will receive uniform health insurance benefits through a DHRM-administered plan

Employers may 1) submit evidence relating to a claim, and 2) participate in any informal fact-finding proceeding at the agency-appeal level

Appeals of eligibility determinations handled through the Administrative Process Act (i.e., a circuit court will decide whether a determination is supported by "substantial evidence")

Employers are required to train LODA-covered employees within 30 days of hire and every two years thereafter; the training, developed and distributed by VRS and DHRM, must include discussion of the impact of not designating a beneficiary

Ongoing Eligibility Requirements



Current LODA Provisions

A spouse remains eligible for benefits unless he or she elects alternate insurance

A child beneficiary remains eligible for benefits until he or she reaches age 21 (or 25 if a full time student)

N/A

New LODA Provisions as of 7/1/17

A spouse of a "disabled person" remains eligible for benefits unless he or she divorces; a spouse of a "deceased person" remains eligible for benefits unless he or she remarries (applies beginning 7/1/2017 to spouses currently in the program and those in the future)

A child beneficiary remains eligible for benefits until the end of the year in which he or she reaches age 26

A "disabled person" or beneficiary whose eligibility is based on a death or disability that occurs on or after 7/1/2017 becomes ineligible when he/she becomes eligible for Medicare due to age (typically 65)

Ongoing Eligibility Requirements



Current LODA Provisions

New LODA Provisions as of 7/1/17

N/A

A "disabled person" (and beneficiaries) becomes ineligible for LODA benefits if the "disabled person" has earned income greater than the salary (indexed for inflation) for the position from which he/she was disabled (does not apply to those whose death or disability occurred before 7/1/2017; applies to those whose coverage is based on a disability that occurs on or after 7/1/2017); eligibility recommences when the "disabled person's" earned income falls below the threshold

Eligibility based on a disability is measured once at the time of initial application for benefits

Eligibility based on a disability may be reevaluated two years after an initial determination, and again five years thereafter (failure to comply with a reevaluation will result in suspension of benefits; applies to all "disabled persons" on or after July 1, 2017)

Thank You