Limited Spousal Coverage Frequently Asked Questions

Q: Why is Purdue adding a Limited Spouse Eligibility rule?
A: Purdue is in the minority of employers who permit spouses to be covered with primary coverage when they have coverage through their own employer. The university has delayed making this change for several years, but it has become necessary as a cost--control measure. Controlling healthcare costs continues to be a challenge for the university. Limiting coverage for spouses who have other coverage available is a way to help ensure that the university can continue to provide competitive health coverage for employees.

Spouses are 20 percent of the total members in the Purdue health plans, but generate 55 percent of the high-cost (claims $100,000 or more) claims, which is why it is important to have their employers share in the cost.

Q: Why is the timeline for sharing this decision so short?
A: Like our other plan changes, this decision had to be approved by the Board of Trustees. The Board of Trustees met on October 11, 2018; therefore, the decision was not fully approved to communicate until that time. Also, the actual change does not go into effect until January 1, 2019, so there is time for spouses to work with their employers if they need to be added onto coverage.

Q: Does it matter if my spouse has Anthem with his employer, too? Does that change anything?
A: No, the insurance carrier has no impact on the spouse eligibility.

Q: What if my spouse is employed, but only part-time?
A: If your spouse is eligible for medical insurance where the employer pays 50 percent or more of the premium, he/she would need to take his/her employer’s insurance, but could remain on Purdue for secondary level coverage if you choose.

If your spouse is not eligible for employer coverage where the employer pays 50 percent or more of the premium, he/she can remain covered under a Purdue plan for primary level coverage.

Q: What if both spouses work at Purdue?
A: The rules for when both spouses work at Purdue did not change. If you and your spouse both work at Purdue and are eligible for benefits, you may elect to opt out of medical coverage and be covered as a dependent on your spouse's medical plan. If one of you is in the higher employee contribution tier and the other is in the lower tier, you will need to enroll under the spouse who is in the higher contribution tier.

As an alternative, you may elect for each of you to enroll in a medical plan individually.

Q: What if my spouse is on Medicaid, Medicare or is Medicare-eligible but currently covered by me?
A: This rule does not apply to Medicaid, Medicare or Medicare eligibility. This rule only applies to employer group coverage that pays at least 50 percent of the premium. If your spouse is working and is eligible for their employer’s group plan, then the rule would apply.

Q: Will I need to provide verification if I cover my spouse on the plan as primary coverage?

A: You will need to provide documentation only if your spouse is working for another employer, and your spouse’s employer does not offer health coverage that pays 50 percent or more of the premium.

Q: What type of documentation will I need to provide?

A: Purdue will provide you with a Spousal Healthcare Affidavit that will need to be completed by your spouse’s employer to verify they do not offer an employer group plan that pays 50 percent or more of the premium.

Once completed this document needs to be uploaded into the Benefitfocus enrollment portal by November 30, 2018, to ensure your spouse will continue with coverage for 2019.

If you do not have ability to upload documents, you may drop off a copy to Human Resources or send via campus mail:

Purdue University Human Resources
Kurz Purdue Technology Center (KPTC)
1281 Win Hentschel Blvd Suite 1100
West Lafayette, IN 47906

You are encouraged to keep a copy for your records as well.

Q: What if my spouse is self-employed?

A: As a business owner, if your spouse offers an employer group plan that pays 50 percent or more of the premium and he/she is eligible to participate in that plan, he/she will need to enroll in their own employer plan as primary coverage.

If your spouse is self-employed but has no access to insurance, he/she is eligible to remain on a Purdue plan with primary level coverage.

Q: What if my spouse does not work?

A: Spouses who are not employed can be covered under a Purdue plan with primary level coverage.

Q: What if my spouse’s status changes during the year? (As in, they do not work now but might get a job later in the year.)

A: If your spouse is offered an employer group plan that pays 50 percent or more toward the premium, then they need to enroll in their employer’s plan, even if it is during the plan year. Then you as the Purdue employee may choose to keep them on your plan as secondary or remove them from the plan entirely. In either case, you would need to log into Benefitfocus and initiate the change as a Life Event, as this would be a Qualifying Life Event.
Q: How quickly do spouses have to move to their own plan?
A: The limited spousal coverage is effective January 1, 2019. They can stay on the Purdue health plans for the remainder of 2018.

Q: How does this affect dental, vision and other coverages?
A: This rule will only apply to the Purdue medical/vision plans. Because vision is provided as part of the medical plan, your medical plan eligibility is the same for vision. There is no change in covering a spouse on any of the other plans.

Q: Can I still have a daycare flex account if my kids are no longer on my medical plan?
A: Yes, the dependent care flexible spending account is not impacted by the health plan eligibility.

Q: Can I use the HSA money I have already saved while my spouse is on my plan to cover health care expenses for him/her if he/she is no longer on my plan?
A: Yes. HSA funds can be used for a spouse or your qualified tax dependents.

Q: What is the difference between primary and secondary coverage?
A: Primary coverage will process the medical claims first, and pay up to the limits the primary plan allows. The claims are then forwarded to the secondary plan to process.

Secondary coverage will then process the claims and pay, up to the limits the secondary plan allows. The employee’s plan is always primary for him/her; the spouse’s plan would be secondary.

Q: If I choose to cover my spouse on the Purdue plan as secondary coverage, how does that work?
A: You would pay for your spouse to be covered by Purdue – the same premium amount as if you were paying for primary coverage.

Claims must first process through the primary coverage, then the Purdue plan will process as secondary and pay what is allowed within in the limits of the Purdue plan. The secondary plan does not reimburse any more on a claim than it would have paid if it were the primary plan.

Q: If I elect the Purdue HSA 1 or HSA 2 plan, can I cover my spouse as secondary?
A: Only if the spouse’s employer plan is also a high-deductible health plan. If their employer plan is not a high-deductible plan, that would disqualify you from contributing to your HSA account, per IRS rules.

Q: If my spouse is covered on the Purdue medical plan as secondary coverage, will they still have access to the Center for Healthy Living?
A: Yes. They may use the Center for Healthy Living for primary care, acute care and preventive care. They will be required to pay the flat fee or co-pay associated with the associated plan ($10 or $25) at the time of service. The Center for Healthy Living will provide a receipt to file the claim with your spouse’s health plan.
Q. If my spouse loses coverage under their employer’s plan, can they come back on my plan or do they need to elect COBRA coverage offered by their employer?

A. Loss of coverage is a life event and allows your spouse to come back onto the Purdue health plan. They are not required to enroll in COBRA.

FAQs will continue to be updated as new questions are asked.