

## COVERTN FREQUENTLY ASKED QUESTIONS

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**1. What is CoverTN?**

CoverTN provides a limited-benefit health care option that is affordable, portable and meets the needs of small business owners, the self-employed, working individuals without access to coverage and those between jobs. CoverTN provides low-cost coverage for basic medical services, with a focus on preventive care.

Enrollment to new members in CoverTN is closed. Existing members and new employees of participating employees will continue to be eligible for coverage.

**2. How does CoverTN differ from traditional health insurance plans?**

CoverTN plan benefits are limited in nature compared to traditional comprehensive insurance. For instance, there are annual limits for services covered by CoverTN, which means a member may have out-of-pocket expenses in the event of catastrophic medical conditions. However, treatment will be covered up to the annual maximum and CoverTN members will pay BlueCross BlueShield network rates for any treatment above the annual maximum.

**3. What are the eligibility categories?**

CoverTN was designed for people in the following categories:

- Small business owners and their employees
- Self-employed individuals
- Individuals who work at least 20 hours per week but cannot afford traditional health insurance
- Individuals who, within the previous six months, have lost their job or had work hours reduced to less than 20 hours per week.

**4. How do employees of participating small businesses qualify for CoverTN?**

In order to enroll in CoverTN, an employee of a participating small business must meet the following requirements:

- U.S. Citizen or qualified legal alien
- Age 19 or older
- Work an average of 20 hours per week
- Does not currently have health insurance, or has not voluntarily stopped health insurance in the past six months
- Commit to pay 1/3 of the monthly premium
- See question #29 for enrollment timetables

**5. Are spouses eligible for CoverTN?**

Yes. Spouses of CoverTN participants may be eligible for CoverTN, although employers are not required to contribute to a spouse's monthly premium. In order for a spouse to qualify for coverage, they must meet the following requirements:

- U.S. Citizen or qualified legal alien
- Age 19 or older
- Does not currently have health insurance, or has not voluntarily stopped health insurance in the past six months
- Commit to pay 2/3 of the monthly premium

**6. Are there exceptions to the Tennessee residency requirement?**

The only time a non-Tennessee resident can qualify for CoverTN is when the individual works for a Tennessee company that participates in CoverTN or the individual is the spouse of such an employee. In such a situation, if all other requirements are met, the employee can enroll in the program, though the state will not contribute 1/3 of the monthly premium.

**7. Are there exceptions to the requirement for applicants to be uninsured for six months?**

The only exceptions to the six month go-bare requirement are as follows:

- Separation from employment (voluntary or involuntary)
- Cancellation of group or individual health insurance coverage by the insurance carrier for reasons other than non-payment of premium, fraud or misrepresentation
- A health insurance carrier's decision to no longer sell small group benefits coverage
- Loss of eligibility for TennCare or CoverKids
- Active duty in the Armed Forces during the previous six months

**8. Who is a qualified legal alien?**

A qualified legal alien is someone who is not a U.S. Citizen, but who does live in the United States legally. To be a qualified alien, a person must meet certain conditions. These conditions are defined by federal law at 8 U.S.C. §1622(b). A person must be a U.S. Citizen or qualified alien in order to enroll in CoverTN.

**9. Are all employees, including part-time workers, eligible for CoverTN?**

An employer must offer CoverTN to all employees who work an average of at least 20 hours per week and who meet all other employee eligibility requirements (i.e., age, income). Only these employees will qualify to participate in CoverTN.

**10. Are seasonal employees eligible for CoverTN?**

Yes, seasonal employees who work an average of 20 hours per week annually are eligible for CoverTN.

**11. Are children of employees eligible for CoverTN?**

No. All CoverTN policies are individual policies and do not include family coverage.

Employees with uninsured children 18-years-old or younger may be eligible for coverage through CoverKids, another Cover Tennessee program. For additional information on CoverKids, go to [www.CoverKids.com](http://www.CoverKids.com).

**12. Can a company still participate in CoverTN if its eligibility status changes during the year (i.e., grows to more than 50 employees, etc.)?**

Yes. Two of the employer eligibility requirements – 50 or fewer full-time equivalent employees and half of the employees earn \$55,000 or less per year – are required only during the initial qualifying step of enrollment in the program.

**13. What is considered health insurance?**

The following are considered health insurance policies and if active, or active within the previous six months, would make a business or individual ineligible for CoverTN:

- Basic Medical Coverage (hospitalization plans)
- Major Medical Insurance
- Comprehensive Medical Insurance
- Short-term Medical Policies
- Limited-Benefit Plans
- Mini-Medical Plans
- Catastrophic Health Insurance Plans with deductibles less than \$15,000
- Health Savings Accounts (High Deductible Plans)

The following are not considered health insurance and would be permissible to keep with CoverTN active.

- Supplemental Insurance Policies
- Critical Illness Plans (i.e., cancer insurance)
- Veteran's Administration (VA Benefits)
- Disability Insurance
- Dental Insurance

**14. My business is located in Tennessee, but I have employees who are not Tennessee residents. Can they participate in CoverTN?**

Yes. Employees of participating employers who work in Tennessee but live in bordering states are eligible for CoverTN. In this case, the state will not contribute to the monthly premium of a non-Tennessee resident, so the employer or employee must pay the state's portion of the monthly premium. These employees must also visit network providers within Tennessee to receive benefits.

**15. Can an employer impose a waiting period for employees before becoming eligible for CoverTN benefits?**

No. Eligible employees must enroll within 90 days of their employer's approval to participate in CoverTN. A newly hired employee and his or her spouse have 30 days from the date of hire to submit an enrollment form for CoverTN.

After the initial enrollment period, eligible employees may only enroll during the annual open enrollment period, which takes place during the month of October.

**16. Can an employer who offers a carve-out plan to certain classes of employees offer CoverTN to those employees not eligible for the carve-out?**

Yes. Employers who offer a carve-out plan (sometimes referred to as an owner-only, manager-only or salaried employee-only plan) to certain classes of employees, can offer CoverTN to those excluded from the carve-out. Individuals eligible for, or participating in, the carve-out plan are not eligible for CoverTN.

**17. Can someone who enrolls as a Tennessean Between Jobs keep their CoverTN coverage if they are hired by a company offering employer-sponsored health insurance?**

Yes. Once enrolled, any change in employment status will not affect a member's continued eligibility for the program as long as other eligibility requirements are met and monthly premiums are paid. However, both benefit plans should be compared to see which plan best suits individual health insurance needs.

**18. What insurance company offers CoverTN?**

BlueCross BlueShield of Tennessee was awarded the CoverTN contract through a competitive bid process. Individuals have two different plans from which to choose — Plan A and Plan B.

**19. What is the difference between Plan A and Plan B?**

The main differences between the two plans are coverage for inpatient hospitalization, prescription drug benefit limits and the number of specialist visits. People with more prescriptions may find Plan A to be a better option for them. People who anticipate an inpatient hospital stay may find Plan B a better choice.

**20. Does CoverTN have a deductible?**

No. Because CoverTN is designed to provide coverage for the most needed services, the plan does not have a deductible. Members need only meet their co-pay requirements to gain immediate access to services.

**21. Is there a pre-existing condition waiting period for CoverTN?**

Yes. CoverTN has a 12-month pre-existing condition waiting period. No benefits will be paid for conditions present during the immediate six months prior to enrolling in CoverTN. After the member has been enrolled in CoverTN for 12 months, CoverTN will begin covering these conditions.

The pre-existing condition waiting period can be shortened or waived for members with prior creditable coverage who apply within 63 days of an involuntary loss of their coverage.

**22. What are some of the plan specifications?**

Medical services such as primary care and specialist visits, emergency room visits and ground ambulance, inpatient and outpatient hospital services, surgery and pharmacy benefits may be accessed with just a co-pay.

However, there are service and benefit caps per member per calendar year. Both plans have a maximum annual benefit limit of \$25,000 per year. Refer to the benefit plan, Plan A at [www.bcbst.com/health-plans/cover-tennessee/covertn/PlanA.pdf](http://www.bcbst.com/health-plans/cover-tennessee/covertn/PlanA.pdf) or Plan B at [www.bcbst.com/health-plans/cover-tennessee/covertn/PlanB.pdf](http://www.bcbst.com/health-plans/cover-tennessee/covertn/PlanB.pdf) for more information on covered services.

**23. What happens if a member exceeds the \$25,000 annual maximum?**

Individuals who reach the annual benefit maximum during the year are responsible for all expenses exceeding \$25,000 until the next plan year begins. The new plan year begins annually on January 1.

Members exceeding the \$25,000 annual maximum benefit will continue to receive network discounts on medical services and prescription drugs when they use network providers or pharmacies.

**24. Is maternity coverage available through CoverTN?**

CoverTN members who become pregnant will remain enrolled in CoverTN but may be eligible for maternity benefits and pregnancy-related services through CoverKids HealthyTNBabies or TennCare based on your income. Upon becoming pregnant, CoverTN members should complete a CoverKids HealthyTNBabies application.

If you are enrolled in TennCare for maternity benefits you do not need to cancel your CoverTN health coverage.

To apply for CoverKids HealthyTNBabies, visit [www.CoverKids.com](http://www.CoverKids.com) or call 1-866-620-8864.

To apply for TennCare, visit [www.tn.gov/tenncare](http://www.tn.gov/tenncare) or call 1-866-311-4287.

**25. What health care providers participate in the CoverTN network?**

CoverTN plans feature access to more than 17,800 providers who participate in BlueCross BlueShield of Tennessee Network V. More information on the provider network is available at [www.bcbst.com/health-plans/cover-tennessee/covertn/](http://www.bcbst.com/health-plans/cover-tennessee/covertn/).

**26. What are the monthly premiums for CoverTN?**

Premiums are split evenly between the state, employer and employee and are based on an individual's age, tobacco use and weight.

Total Monthly Premium Amounts				
Age	Normal Weight		Obese	
	Non-tobacco User	Tobacco User	Non-tobacco User	Tobacco User
<30	\$112.58	\$134.58	\$123.58	\$145.58
30-39	\$137.88	\$159.88	\$152.18	\$174.18
40-49	\$169.78	\$191.78	\$186.28	\$208.28
50-59	\$207.18	\$229.18	\$228.08	\$250.08
60-64	\$236.88	\$258.88	\$261.08	\$283.08
65+	\$277.58	\$299.58	\$305.08	\$327.08

One-third Share of Monthly Premium Amounts				
Age	Normal Weight		Obese	
	Non-tobacco User	Tobacco User	Non-tobacco User	Tobacco User
<30	\$37.53	\$44.86	\$41.19	\$48.53
30-39	\$45.96	\$53.29	\$50.73	\$58.06
40-49	\$56.59	\$63.93	\$62.09	\$69.43
50-59	\$69.06	\$76.39	\$76.03	\$83.36
60-64	\$78.96	\$86.29	\$87.03	\$94.36
65+	\$92.53	\$99.86	\$101.69	\$109.03

CoverTN members who move into a new age category will see their premium increase on January 1 of the following calendar year.

**27. What is considered “normal weight” or “obese?”**

Those with a weight less than what is listed in the chart below are considered normal weight. Those weighing more than what is listed are considered obese.

Height	Target Weight
4' 10"	142
4' 11"	147
5' 0"	152
5' 1"	157
5' 2"	163
5' 3"	168
5' 4"	173
5' 5"	179
5' 6"	185
5' 7"	190
5' 8"	196
5' 9"	202
5' 10"	208
5' 11"	214
6' 0"	220
6' 1"	226
6' 2"	232
6' 3"	239
6' 4"	245
6' 5"	252

**28. How are premiums calculated and paid?**

Employees of Participating Employers

The state pays one-third of the monthly premium, the employer pays one-third and the employee pays the final one-third. The state will not pay any portion of the premiums for employees who do not live in Tennessee. The employee's premium is payroll deducted by the employer. Employers are then required to remit both the employee's and the employer's premium to BlueCross BlueShield of Tennessee each month through electronic funds transfer.

Self-employed / Employees of Non-participating Employers / Tennesseans Between Jobs

The state pays one-third of the monthly premium. Employees of non-participating employers, self-employed individuals and Tennesseans Between Jobs must pay the remaining two-thirds of the premium. These individuals will be billed directly by BlueCross BlueShield of Tennessee.

Spouses

The state pays one-third of the monthly premium for spouses of all members, except for those members who work for county governments. Employers are not responsible for covering one-third of the spouse's premium, but may do so if they choose.

**29. Can CoverTN premiums be increased?**

The law that governs CoverTN allows, on an annual basis, a premium increase not to exceed 10 percent per year. In 2010, THERE WILL BE NO PREMIUM INCREASE.

**30. Can business owners deduct premiums from their employee's payroll pre-tax, or are they required to deduct after tax?**

Businesses and employees may benefit by establishing a Section 125 plan and deducting CoverTN premiums pre-tax. However, neither the State of Tennessee nor BlueCross BlueShield of Tennessee are plan administrators and, therefore, cannot provide tax advice. Business owners and employees are encouraged to consult their tax advisor for more information.

**31. Can a member keep CoverTN if they change jobs or become unemployed?**

Yes, but the member will have to assume responsibility for the one-third of the premium being paid by the employer, in addition to the one-third premium they are already paying. The state will continue to contribute one-third of the premium.

In cases where the member worked for a Tennessee employer but lived in a bordering state, the member individual would no longer be eligible for CoverTN.

**32. What is the best way to learn more about CoverTN?**

Information is available online at [www.CoverTN.gov](http://www.CoverTN.gov).