

Vendor Coordinator Responsibilities

COORDINATOR:

The Administrative Coordinator is the individual designated by the company/vendor to be the primary point of contact on authorized deductions between state departments/agencies, company representatives, and the Office of State Uniform Payroll (OSUP). **This individual should be knowledgeable in the company/vendor areas of enrollment, billing, claims processing, client service and field agent activity and responsibility. The Administrative Coordinator must also be knowledgeable of all the details in the entire Payroll Deduction Rule as well as OSUP policies and procedures issued to vendors.** The company/vendor, **through this representative**, will be expected to resolve any problems that may arise for state agency management resulting from the payroll deduction authority.

The Administrative Coordinator may appoint a person within the company to be a LA Sales Coordinator to handle the areas of solicitation and educational responsibilities. The LA Sales Coordinator will be designated as the primary point of contact for state employees and agency Employee Administration (EA) personnel for solicitation and educational purposes. The LA Sales Coordinator must coordinate with vendor sales representatives and the Administrative Coordinator in order for accurate and efficient processing of employee deductions to occur.

The Administrative Coordinator may appoint a person within the company to be a Billing Coordinator to handle the areas of billing, refunds and reconciliation problems. The Billing Coordinator will be designated as the primary point of contact for state agency Employee Administration (EA) personnel for billing, refunds and reconciliation purposes. The Billing Coordinator must coordinate with the Administrative Coordinator in order for accurate and efficient processing of employee deductions to occur.

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D. Vendor administrative coordinator shall:

2. appoint a vendor representative, if preferred, to be the "Louisiana sales coordinator" to handle the areas of solicitation and educational responsibilities;
3. be responsible for dissemination of information such as the requirements of this rule and department/agency policy and procedures to vendor representatives;
4. act as liaison for the vendor with any administrative contract(or) and the state relative to FBP participation;
5. be the primary contact for resolution of billing, refund, and reconciliation problems; and resolving claims problems for employee;
6. appoint a vendor representative, if preferred, to be the "Billing Coordinator" to handle the areas of billing, refunds and reconciliation problems.

Communication:

Communication between the designated Coordinators, the Office of State Uniform Payroll (OSUP) and state agency personnel is critical for accurate and efficient processing of employee deductions. **Timely resolution of deduction problems is a must.**

Coordinators are responsible for assuring that both verbal and written correspondence is provided to state agency personnel in a variety of situations, some of which include incorrect deduction codes, incorrect deduction amounts, lapsed policies, rate increases and other noted discrepancies.

Solicitation:

Administrative Coordinators may assign the LA Sales Coordinator the responsibility for regulating open solicitation. **The LA Sales Coordinator will be responsible for acquiring an agency's Supplemental Benefits Solicitation Policy and obtaining a signed acknowledgement from**

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the vendor representative prior to solicitation. When possible, group solicitations for specific areas in LA should be organized and conducted in a central location for that particular area. This will allow the employees of the smaller outlying department/agencies to attend. It should be made certain that each area of solicitation covers all outlying department/agencies.

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C. Vendors shall:

4. solicit employees for payroll deduction only:
 - a. after notification to the vendor and state department/agencies from OSUP that the product has been approved;
 - b. upon written authorization and within the solicitation policy established by the department/agency; and
 - c. for those products, policy forms or service plans submitted and approved in the annual renewal or new application process.

D. Vendor administrative coordinator shall:

1. be responsible for obtaining solicitation authorization and department policy from the department head or his designee;

F. Vendors may be debarred by a department/agency from solicitation within that department/agency for violation of this section or OSUP policy.

G. Vendors may be debarred from solicitation statewide by OSUP for violation of this section or OSUP policy.

Giving away items/gifts of monetary value to state employees is strictly against §1115 of the Louisiana Code of Governmental Ethics and is prohibited by OSUP. The only allowable giveaways are promotional items with no substantial resale value and food and drink that employees consume while the vendor or representative is present. Questions should be directed to the Louisiana Ethics Administration Program at (225) 219-5600 or (800) 842-6630. Requests for a Board of Ethics advisory opinion can be submitted in writing to the address below:

Louisiana Ethics Administration Program
617 North Third Street
LaSalle Building, Suite 10-36
Baton Rouge, LA 70802

Requests should include specific details of what the vendor would like to give away to state employees and the reasons the vendor feels the particular item should be acceptable.

Payroll Authorization Forms (SED-4's):

According to OSUP policy, payroll deduction authorization forms (SED-4's) must be signed by a vendor representative AND the employee unless otherwise directed by OSUP. Any changes or corrections, due to SED-4 being completed incorrectly by the vendor representative, to an employee's supplemental policy or premiums must be handled between the vendor and the employee by all reasonable means (letter, phone, agency or home visit). The agency will not be responsible for any errors or omissions on the part of the vendor and the vendor's representative, but will assist, if necessary, in obtaining a signed SED-4 if the vendor has exhausted all other means. OSUP will also assist in this process if necessary.

1. No entries, changes or corrections will be entered into the agency's payroll system without an SED-4 signed by the representative and the employee unless otherwise directed by OSUP.

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2. No cancellations requested by the vendor will be entered into the agency's payroll system without an SED-4 signed by the representative and the employee unless otherwise directed by OSUP.
3. A request by the employee to cancel all products with a vendor will not be entered into the agency's payroll system without a written dated statement from the employee in which the agency must instruct the employee to forward a copy of that letter to the vendor. If an employee that has more than one product with a vendor wishes to cancel only one product with that vendor, they must be directed to the vendor to cancel per an updated signed SED-4. If an employee submits a written, dated, **signed** request to the vendor requesting cancellation of a policy, a copy of this dated and signed letter can be attached to an updated SED-4 (removing the canceled policy and listing all other active payroll deducted policies) and forwarded to the appropriate agency to satisfy the signed SED-4 requirement.
4. For situations in which a correction to an SED-4 results in no change in **total** semimonthly premium (no increase or decrease), the employee's signature is not required, but a copy of the SED-4 must be sent to the employee and the agency with a letter explaining the changes.

SED-4's are preprinted by the vendor and approved by OSUP with product names grouped by IRS Section 125 eligibility (FBP). Vendor Representatives must not make hand written changes to product names on SED-4's. Agencies have been instructed to not process SED-4's submitted with hand written changes to the product names.

NOTE: Vendors should question employees to see if he/she works in an educational position and is considered to be a 9 or 10 month employee. Deduction amounts on SED-4's must be adjusted accordingly **prior to obtaining employee's signature**. The form can then be submitted to the agency for deduction setup.

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C. Vendors shall:

5. provide and use the standard deduction authorization form (SED-4) authorized by OSUP using the guidelines below.
 - a. Deduction form is not authorized to be submitted from an employee for the purpose of transmitting any part of that deduction to a non-approved vendor.
 - b. Deduction form shall not be submitted which lists any product or service for which a product code has not been approved.
 - f. Vendor shall be responsible for completing authorization forms prior to obtaining employee signature and for submitting forms to the appropriate payroll office designated by each employing department/agency.

Additional details pertaining to the deduction authorization form may be found in §114.C.5 of the payroll deduction rule.

Authorized Deductions:

Per the payroll deduction rule, an employee may have a payroll deduction for anyone with insurable interest as defined below:

Insurable Interest - as referenced herein shall be as defined in R.S. 22:613.C.(1) and (2) e.g., an individual related closely by blood or by law, or a lawful and substantial economic interest in having the life, health or bodily safety of the individual insured continue.

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However, IRS Code Section 125 eligible products under OSUP's payroll deduction rule can be deducted for **dependents** (as defined in Section 152 of the IRS code) **only**.

Ineligible (non Section 125) products under OSUP's payroll deduction rule can be deducted for anyone with insurable interest.

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5. provide and use the standard deduction authorization form (SED-4) authorized by OSUP using the guidelines below.
 - h. Deduction authorization shall not be processed for any employee which is intended to provide a benefit for any party for whom the employee has no insurable interest.

Deduction Approval/Rate Changes:

Louisiana Department of Insurance (LDI) and OSUP are two separate entities. LDI approves your policies to be sold in Louisiana. OSUP approves your policies to be marketed/solicited to LA state employees through payroll deduction. These are two separate processes.

For Rate Increases, you are required to submit documentation to LDI, but LDI does not approve/disapprove the rate increase (refer to LDI Code for complete details). LDI will forward you a response indicating that your rate increase documentation was received and placed on file. **OSUP** must approve rate increases to products approved for payroll deduction for LA state employees.

Per **§112. Statewide Vendor Requests for Enhancements/Changes to Products**, a vendor must request rate changes by July 1. Requests will be reviewed and the vendor will be notified by September 30 of the acceptance of the rate change and the procedures for implementing for January 1.

Monthly Reconciliations:

Discrepancies such as incorrect deduction amount and incorrect product set up should be identified. Discrepancies identified on the vendor's monthly reconciliation must be forwarded to each agency by mail or fax no later than the end of the month following the deduction. An employee and vendor representative signed SED-4 must also be included for any increases or decreases in total deduction. If the total deduction does not change, then the employee's signature is not required, but a copy of the SED-4 must be sent to the employee with a letter explaining the changes.

Vendors are required to submit, via FTP, a monthly expected file in the required format. This file lists all deductions and the premium amount expected by employee. This file will be used to create a discrepancy file for agencies to resolve deduction errors. Vendors are provided with instructions on how to submit this file when first approved for a payroll deduction slot.

Agency contacts, phone, fax and email information can be obtained from OSUP's website under "[LaGov HCM Agency Contact Information](#)". The list is usually updated around the 1st of each month.

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C. Vendors shall:

7. use invoice/billing identification structure that is compatible with payroll agency numbers to facilitate the monthly reconciliation.

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8. be responsible for preparing a reconciliation of monthly payroll deduction/remittances to vendor's monthly premium due.
 - a. Monthly reconciliation shall include total monthly premium due amount, each product amount and code as assigned by OSUP that makes up the total amount of premium due, total remittance amount, and a listing of all exceptions between the premium due and deduction/remittance by employee within billing/payroll agency numbers.
 - b. Monthly reconciliation exception listing shall identify the employee by Social Security number and payroll agency number and shall be grouped within payroll agency numbers for LaGov HCM payroll system agencies and similarly for payroll systems outside of the LaGov HCM payroll system.
 9. furnish evidence of reconciliation to OSUP as requested by that office. Like verification may be required by other payroll systems outside of the LaGov HCM payroll system.
- G. Vendors may be debarred from solicitation statewide by OSUP for violation of this section or OSUP policy.

LaGov HCM Wage Types/Product Codes:

The LaGov HCM system uses a 4 digit number (wage type) that represents each vendor product being deducted. In addition to the wage type, there is wage type text that includes the product code (PA, NA, NN, etc.). Utilization of the wage type and/or product code from the deduction detail file (FTP file) will identify the product each payment is for. This will allow the vendor to quickly identify discrepancies between the product established by the vendor and the product being deducted and paid through LaGov HCM. ***Vendors should set up their systems to use this wage type or the product code in order to more efficiently process deduction information.*** A current listing of your vendor's wage types can be obtained from OSUP.

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8. be responsible for preparing a reconciliation of monthly payroll deduction/remittances to vendor's monthly premium due.
 - a. Monthly reconciliation shall include total monthly premium due amount, each product amount and code as assigned by OSUP that makes up the total amount of premium due, total remittance amount, and a listing of all exceptions between the premium due and deduction/remittance by employee within billing/payroll agency numbers.

LaGov HCM Agency Numbers/Transfers between agencies:

A LaGov HCM Paid Agency Listing can be obtained from the OSUP website under "[LaGov HCM Agency Information](#)". Utilization of the agency number from the deduction detail file (FTP file) will identify when an employee transfers to another LaGov HCM paid agency. This will allow the vendor to correctly identify which agency to send correspondence to. ***Vendors must set up their systems to use this identification structure in order to more efficiently process deduction information.***

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Refunds:

All vendor product refunds to employees must be processed through the LaGov HCM payroll system.

NOTE: Written notification from vendors can be in the form of an email to the agency Employee Administrator with a SED-4 attached as instructed below. Each email must be for one employee only. The Administrative Coordinator is responsible for assuring that requests are from appropriate vendor staff assigned to this duty.

SED-4's can be faxed between parties to obtain required signatures for timely processing of corrections.

The following procedures should be followed by all statewide vendors when an overpayment of premiums is recognized:

Vendor Action:

1. Notify the employee of the overpayment. If applicable, send an updated authorization form to the employee for signature.
2. **Submit a request to agency payroll Employee Administration Unit in writing, via email or letter on company's letterhead, indicating 1) the reason, 2) the product and payroll code, 3) the incorrect and correct semi-monthly deduction amounts for period being refunded by product, and 4) the premium period for the overpayment/refund (beginning and ending check date).** Indicate if a SED-4 was sent to the employee and the date sent. Attach a copy of the SED-4 to the request sent to the agency for documenting pending receipt of the signed form from employee.
3. Send correspondence to the employee advising that the agency was authorized to refund the overpayment through the LaGov HCM system.
4. Send a copy of the correspondence to the Flexible Benefits Plan Administrator of the Office of Group Benefits for any FBP participating products.

NOTE: When the refund is processed by the agency in LaGov HCM, the payment to the vendor will be reduced by the amount of any refunds processed in that month. The deduction data (FTP file with employee detail records) will also reflect the refund.

Agency Action:

1. Upon receipt of proper notification from the vendor, determine if the employee is allowed to receive the refund under IRS Code Section 125 due to FBP participation. Pre-tax premium dollars cannot be refunded to employees unless a qualified life event (QLE) has occurred or there was an administrative error in the deduction amount.
2. If a refund is appropriate, process the refund through LaGov HCM. If the employee is not allowed, by the IRS Section 125 regulations, to have the refund of premium, please contact the FBP Administrator for further instructions.
3. When an updated authorization form (SED-4) signed by the employee is received, change or stop the employee's deduction accordingly. **If the refund was required because of incorrect semi-monthly deductions, this amount should be corrected immediately to prevent future refunds.** If an agency or any employee receives a refund check from a miscellaneous vendor, the agency must return the check to the vendor and process the refund through LaGov HCM if all documentation required (employee name, social security number, agency, amount of refund, reason for refund, and premium time period) can be obtained from the refund check and accompanying correspondence. If all relevant information is not available, the

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agency should contact the vendor for the necessary data. ***The vendor is responsible for informing the employee of the overpayment.***

4. To avoid the possibility of additional work for the agency due to not receiving a signed SED-4 from the employee when there is an incorrect semi-monthly deduction, a standard form letter with a copy of the unsigned SED-4 received from the vendor should be forwarded by the agency to the employee with a brief statement about the change.

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C. Vendors shall:

6. follow procedures established by OSUP policy when refunding payroll deducted and remitted premiums to employees...