GROUP MEDICAL BENEFITS PLANS

Purpose and Scope

1. To outline administrative regulations governing group medical benefits plans available to monthly salaried employees and their eligible dependents, and to define certain conditions under which coverage may be continued after active service ceases.

2. Detailed information on individual group medical benefits plans is available from the Employee Benefits Department.

3. The California Schools Voluntary Employee Benefits Association (VEBA) policies guide district benefits plan implementation.

4. Persons eligible for coverage

    a. All active monthly salaried employees working one-half (1/2) time or more. Employees on district approved unpaid leaves may continue their medical insurance coverage by remitting the required fee to the district.

    b. Dependents

        (1) An eligible employee's legal spouse who has not entered a final decree of divorce or annulment from the employee, and is not on active duty as a member of the armed forces, or an unmarried employee's same-sex domestic partner who is not on active duty as a member of the armed forces and is not legally married to another individual.

        (2) An eligible employee's child (including any stepchild, child of the employee's same-sex domestic partner, legally adopted child, or child for whom the employee is named legal guardian by court order) who (a) has not attained his/her twenty-sixth birthday, (b) is not covered for benefits as an employee, (c) is not on active duty as a member of the armed forces and/or (d) is not enrolled in another medical benefits plan.

        (3) An eligible employee's child (including any stepchild, child of the employee's domestic same-sex partner, legally adopted child, or child for whom the employee is named legal guardian by court order) who (a) is at least twenty-six years of age, (b) is primarily dependent upon the employee for support and maintenance, and (c) is incapable of self-sustaining employment because of mental or physical disability and has been approved by the medical carrier as totally disabled prior to age twenty-six.

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(4) Eligible dependents must be enrolled in the same medical plan as the employee.

(5) Eligible same-sex domestic partners and their dependents may be enrolled under the following conditions by completing a separate domestic partner enrollment packet.

(a) When included on a new employee's enrollment form:

1) A Declaration of Domestic Partnership form and a Healthcare Enrollment Statement must be submitted with an eligible employee's enrollment form.

2) Unless a domestic partner is considered an employee's dependent for tax purposes under Section 125 of the Internal Revenue Code, the Internal Revenue Service currently treats as imputed income of the employee, the value of the health coverage provided to domestic partners and their eligible dependents.

3) If an employee elects to provide coverage for a domestic partner, the district must adjust the employee's taxable gross earnings to show the value of the coverage as taxable income.

(b) An eligible same-sex domestic partner not included on a new employee's enrollment form may be added only during open enrollment.

Note: Dependents who are in active, full-time military service are not eligible for coverage.

5. Choice of Plans

a. All monthly salaried employees shall be provided with information regarding the district-sponsored medical benefits plans at the time of employment and annually thereafter during the open enrollment period. District-sponsored medical benefit plans and benefit designs may change from year to year as a result of the collective bargaining process.

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b. Costs. The amount that an employee may be required to pay for coverage changes annually. These amounts are announced during the open enrollment period in November each year. Any required employee contribution is made through automatic payroll deduction on a tenthly basis each month, September through June. Employees in paid status in monthly salaried positions of less than half time and employees in job-share assignments, who are enrolled for medical coverage, must pay a pro rata share of the cost of coverage on a tenthly basis through payroll deduction.

6. Open Enrollment

a. An open enrollment period is held from mid-October to mid-November each year. During this time, eligible employees may elect to change medical plans, enroll for coverage if not already enrolled in a plan, and/or add eligible dependents. All changes become effective January 1 of the following year.

b. Prior to Open Enrollment, district information circulars are sent to each work location announcing the open enrollment period and the employee costs, if any, for the ensuing calendar year. Employees who wish to make any changes must do so electronically using PeopleSoft Self Service within the time limits specified in the open enrollment circular; otherwise changes will not be accepted. When adding a dependent not currently covered, an enrollment form must be completed and required documents provided (i.e. marriage license, birth certificate or the first page of the employee's recent Federal Tax Returns). No exceptions can be made.

7. Effective Date of Coverage

a. Enrollment in a medical plan is not automatic. Eligible employees in a monthly salaried assignment of half time or more whose first day of paid service occurs between the first of the month and the fifteenth of the month will have coverage commence on the first day of the month following the first day of paid service. Eligible employees whose first day of paid service occurs after the fifteenth of the month will have coverage commence on the first day of the second full month of employment. Coverage is effective on these dates provided the employee is actively at work and the appropriate enrollment forms and any required contribution are received in the Employee Benefits Department within 31 days of the date the employee becomes eligible for coverage.

b. Coverage for eligible dependents that are included on an employee's enrollment form becomes effective on the same date as the employee's coverage,

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c. For eligible dependents acquired after an employee's benefits become effective, an enrollment form must be submitted to the Employee Benefits Department within 31 days of the date the dependent becomes eligible (i.e., within 31 days following the date of marriage, birth, or adoption); otherwise, enrollment is permitted only during the annual open enrollment period held each fall with coverage effective the following January 1.

Note: An eligible same-sex domestic partner not included on a new employee's enrollment form may be added only during an open enrollment period.

d. Health Insurance Portability and Accountability Act of 1996 (HIPAA). When an employee or a dependent does not enroll for medical coverage because he/she has other coverage, a federal law known as HIPAA permits enrollment at times other than open enrollment if a loss of the other coverage occurs. An appropriate enrollment application form must be submitted to the Employee Benefits Department within 31 days following the loss of the other coverage. This special enrollment provision also allows an employee to enroll for coverage for self/dependents within 31 days of acquiring a new dependent through marriage, birth, adoption, or placement for adoption. The HIPAA enrollment exception does not apply to same sex-domestic partners and their dependents.

8. Termination of Coverage

a. Monthly salaried employees who cease active service. When an employee ceases paid service in an eligible monthly salaried position, coverage under the district-sponsored group medical plan in which the employee is enrolled terminates at the end of the month in which paid service in the eligible monthly salaried position ceases. Employees who cease paid service and are on a district-approved unpaid leave of absence or who separate from the district due to retirement and are receiving a monthly benefit from the State Teachers' Retirement System (STRS) or the Public Employees' Retirement System (PERS) may continue certain group insurance plans by paying the cost of coverage to the district.

b. Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), When an employee and/or dependent(s) will lose coverage under a district-sponsored group medical plan because of a "qualifying event" such as termination of employment, layoff, reduction in hours below fully-paid benefit level, divorce, or age limitation, coverage may be continued for a limited period of time on a self-pay basis by making the required payment to the district. This program is known as COBRA. Continuation of benefits under the COBRA

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program is not available to an employee's same-sex domestic partner or the partner's dependents. For more information, contact the Employee Benefits Department

c. Dependents of active employees. Coverage terminates on the date employee coverage terminates or the date the dependent no longer qualifies as an eligible dependent, whichever occurs first.

9. Continuation of Coverage (When Active Service Ceases)

a. Sabbatical leave of absence. Coverage for an employee and his/her eligible dependents remains in effect during the period of sabbatical leave if the employee is receiving half salary and the required payroll deduction, if any, is continued.

b. Family and medical care leave. If an employee is enrolled in any district-sponsored group insurance plan (medical, dental, and vision), coverage for the employee and eligible dependents will continue to be paid by the district during an approved family and medical care leave (FMLA). Employees working less than half time or in a job share assignment who are enrolled in a district-sponsored medical plan must continue to remit their required pro rata share of the premium cost during the period of time they are on an approved FMLA. An employee may continue any current life insurance plan by paying the required contributions to the district.

c. Other approved unpaid leaves of absence (e.g., parental, professional study, and health). Coverage for an employee and his/her eligible dependents may be continued by remitting the required contribution to the district within 31 days of the date such coverage normally would terminate because of termination of active service.

(1) Employee coverage terminates on the first to occur of the following dates:

(a) End of the month for which the required contribution has been received by the Employee Benefits Department.

(b) End of the month in which the district-approved leave of absence expires.

(c) End of the month in which employment with the district is terminated (i.e., resignation, retirement, or death).

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(2) Dependent coverage terminates on the same date the employee's coverage terminates, or the date the dependent no longer qualifies as an eligible dependent, whichever occurs first.

(3) An employee on an unpaid leave of absence who allows coverage to terminate will not be eligible to reapply for coverage until returning to active paid service in an eligible monthly salaried position.

d. Approved leave due to on-the-job illness or injury. If an employee's paid service ceases as a result of an on-the-job illness or injury and the employee is on a district-approved industrial leave of absence and is receiving Workers' Compensation benefits, coverage for the employee and his/her eligible dependents may be continued up to one year from the effective date of the industrial leave.

(1) Employee coverage terminates on the first to occur of the following dates:

(a) End of the month in which the temporary disability payment ceases.

(b) End of the 12th month following the last date of paid service.

(c) End of the month in which employment with the district is terminated (i.e., resignation, retirement, or death).

(2) Dependent coverage terminates on the same date the employee's coverage terminates, or the date the dependent no longer qualifies as an eligible dependent, whichever occurs first.

(3) An employee who allows coverage to terminate will not be eligible to reapply for coverage until he/she returns to active paid service in an eligible monthly salaried position.

e. Layoff

(1) Pursuant to collective negotiations contracts, if an employee's paid service ceases because of a reduction in force (layoff), medical benefits plan coverage continues based upon definitions outlined in each individual contract. Employees should refer to the appropriate contract for guidance.

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Once coverage terminates that is associated with a layoff, coverage may be continued for the employee and his/her eligible dependents under the federal COBRA program by remitting the required contribution to the district.

f. Retirement. If an employee's paid service ceases because of retirement and he/she is receiving a monthly benefit from the State Teachers' Retirement System or the Public Employees Retirement System, coverage may be continued for the employee and his/her eligible dependents as long as payment of the required contribution is received by the Employee Benefits Department within 31 days of the date coverage normally would terminate because of termination of active service.

(1) Pursuant to collective negotiations contracts, retirees who meet specified eligibility requirements may be eligible for a monthly, district-paid contribution toward the cost of their district-sponsored medical premium. Information regarding this benefit is available from the Employee Benefits Department.

(2) Retiree coverage terminates on the, first to occur of the following dates:

(a) End of the month for which the required contribution has been received by the Employee Benefits Department.

(b) End of the month in which the death of the retiree occurs.

(3) Dependent coverage terminates on the same date the retiree coverage terminates, or the date the dependent no longer qualifies as an eligible dependent, whichever occurs first.

(4) If retiree coverage is allowed to terminate, it cannot be reinstated.

g. Surviving spouse and dependents. Upon the death of an employee who was in paid status or on a district-approved unpaid leave of absence, or of a retiree who was enrolled in one of the district-sponsored group medical benefits plans, the surviving spouse and dependents may continue coverage by remitting the required contribution to the Employee Benefits Department, until the first to occur of the following events:

(1) Surviving dependent spouse. Remarriage or death. However, if the surviving dependent spouse also qualifies as a retiree of the district and is receiving a monthly benefit from the State Teachers' Retirement

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System or the Public Employees' Retirement System, his/her coverage may be continued without regard to remarriage, by paying the required contribution.

(2) Surviving dependent children. Failure to qualify as dependent children, or the date of remarriage of the surviving dependent spouse.

(3) Last day of the month for which contributions have been received by the Employee Benefits Department.

(4) If coverage is allowed to terminate, it cannot be reinstated.

Implementation

1. Human Resource Services Division. At the time of hire, provides all new employees with a new employee packet of materials describing available plan selections, eligibility provisions, necessary enrollment forms and enrollment instructions.

2. Employee

   a. Must complete and submit to the Employee Benefits Department the appropriate enrollment application forms for self and eligible dependents, within 31 days of the first day of paid service, if coverage is desired. Failure on the part of the employee to complete and submit enrollment application forms within the time specified herein shall constitute a waiver of coverage.

   b. Files claims as outlined in plan brochure.

   c. If coverage is desired, submits payment to continue coverage while on district-approved unpaid leave of absence, layoff, or retirement.

   d. During scheduled open enrollment period, contacts the Employee Benefits Department to enroll for medical coverage, change plans, and/or add dependents.

   e. Immediately notifies the Employee Benefits Department and completes appropriate paperwork to delete a spouse upon final decree of divorce, a same-sex domestic partner and the partner's dependents upon termination of the partnership, or a dependent child who no longer meets the eligibility requirements.

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3. Employee Benefits Department

   a. Disseminates open enrollment materials describing available plan selections, changes to benefits within existing plans, eligibility provisions, enrollment requirements, and maintains the district's benefits web site.

   b. Negotiates contracts with selected carriers.

   c. Verifies and establishes employee and dependent eligibility for coverage and establishes payroll deductions when required.

   d. Computes premiums paid by district, and requests payment from Fiscal Control, to the district-sponsored group medical benefits plan carriers on a monthly basis.

   e. Sends billings and collects payments from retirees, employees on district-approved unpaid leaves of absence, and COBRA participants who elect to continue coverage; transmits payments to Fiscal Control.

   £ Assists in resolving eligibility, claims, or payment issues; acts as liaison between employee or retiree and plan.

   g. Provides required COBRA notifications to employees and their dependents.

4. Office of the Controller

   a. Accounts Payable receives payment request from Employee Benefits Department; verifies totals and prepares warrant.

   b. Fiscal Control receives, records and deposits payments transmitted by the Employee Benefits Department for retirees, employees on district-approved unpaid leaves of absence or layoff, and COBRA participants who elect to continue coverage.

   c. Upon receipt of twelfthly premium statement from the Employee Benefits Department, Fiscal Control verifies number of retirees, employees continuing coverage while on district-approved unpaid leave of absence or layoff, and COBRA participants; requests warrant from trust fund; prepares monthly cash transfer request or monthly payment form (depending on the medical benefits plan); forwards document to Accounts Payable for warrant processing.

   d. Reviews and analyzes monthly "Fixed Charge Report" to ensure calculations are compatible with "Group Health Reconciliation Report" and eligibility listing.

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e. Receives medical reconciliation listings for all medical benefits plans from Employee Benefits Department; computes and prepares necessary documents reflecting adjustments to financial database.

f. Analyzes cost center detail report and management report to ensure payments are to correct fund and account numbers.

5. Enrollment forms are available from the Employee Benefits Department. Plan documents and additional resources are available on the Employee Benefits Department web site.