



Unified Government Human Resources Guide

Effective 12-06-18

HEALTH CARE BENEFITS

- I. General: It is the policy of the Unified Government to provide employees with various health care benefits. Information and summaries intended to explain these benefit plans will be furnished during new employee orientation and annually during the designated open enrollment period. Human Resources will administer the benefits program for the Unified Government. Health care benefits covered by this policy are subject to change.
- II. Policy
 - A. The Unified Government provides group health care coverage to full-time regular and part-time A employees. Health care coverage may include dental and vision benefits.
 - B. Group Health Care Coverage
 1. Each eligible employee may choose annually among plans being offered by the Unified Government.
 2. When group health care coverage begins
 - a. For regular employees
 - (1) For new employees, rehired employees, and employees transferred to an eligible class: after 30 calendar days of employment.
 - (2) For recalled employees and employees returning from unpaid leave for active military service: the date the employee returns to work. An employee may enroll in the plan of his or her choice.
 - b. Change in status and late enrollments—See II.B.10 below for initial enrollment circumstances.
 - c. For all sworn Fire employees and all sworn police officers; the date of employment.
 3. Employees who participate in a personally-obtained group health program or are covered under a spouse's plan may waive participation in the Unified Government group health plan.
 - a. Employees waiving participation in the Unified Government's group health plan will be required to sign an enrollment form annually during fall open enrollment. If an employee fails to submit the annual enrollment form, the employee will have to wait until the next fall open enrollment to waive participation again.
 - b. Employees who waive participation will receive a monthly taxable stipend of \$150.00 to be included in the second paycheck of the month, provided that the employee makes an appropriate election within the Unified Government Section 125 Flexible Spending Account Plan as of the earlier of the date the employee first became eligible or the next open enrollment period. A new election must be completed each year during the open



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enrollment period to continue receiving the monthly cash stipend in lieu of health insurance, regardless of whether an election was made during the current or any previous year. Otherwise, the cash stipend will end at the end of the current plan year.

- c. Employees who are on an unpaid leave status will not receive the \$150.00 stipend until they return to paid status.
4. For information about employee contributions, contact Human Resources.
5. Termination of group health care coverage

Unified Government-provided group coverage ends on the last day of the month in which the employee separates from employment. The employee will be informed of his or her rights to continue the coverage (see COBRA, at II.C.1, below and retiree group coverage continuation program, at II.C.2, below) and will receive any other notifications that may also be required under the Health Insurance Portability and Accountability Act of 1996 (HIPAA) or any other applicable state or federal law.

6. Coverage during leaves:
 - a. Health care coverage continues without interruption while employees are off work on any type of continuous paid leave.
 - b. In general, while on unpaid leave, employees are responsible for paying for their own health care coverage.
 - (1) Unpaid Family and Medical Leave: The Unified Government will continue health coverage at the same level of contributions and benefits as if the employee was working. If the Unified Government provides a new health plan or benefits or changes health plans or benefits while an employee is on FMLA leave, the employee will receive the new or changed plan or benefits to the same extent as if the employee was not on leave. See 5.6—Family and Medical Leave. Human Resources will arrange with the employee to collect the insurance premiums that were not collected while on unpaid FMLA leave.
 - (2) If the employee exhausts unpaid FMLA leave and is unable to return to work, the employee will continue health coverage at the same level of contributions and benefits as if the employee was working for 30 additional days, at which time benefits will be terminated at the end of that month. The employee may continue health coverage under COBRA and will receive a COBRA notice, as described in II.C. below, as well as any other notifications that may also be required under the HIPAA or any other applicable state or federal law.



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7. Open Enrollment period
 - a. Open enrollment is held annually as determined by Human Resources.
 - b. During open enrollment, an employee may enroll in the available plans and add or remove eligible dependents as allowed under the Plan document or applicable law. A new enrollment automatically terminates the old coverage.

8. Family coverage
 - a. Family coverage is available to any employee, as long as the employee has qualifying dependents. The amount the employee is required to contribute varies. Specific information may be obtained from Human Resources.
 - b. Coverage for an employee's spouse and dependent children may be canceled when:
 - (1) they are no longer eligible under the plan;
 - (2) they have experienced a change of status —See II.B.11; or
 - (3) the employee chooses not to enroll or re-enroll them during open enrollment.
 - c. For more information on canceling coverage, contact Human Resources. The employee is advised to read the information about COBRA, at II.C. below, since the reason for canceling must be given. The employee must properly notify Human Resources within 31 days from the date on which coverage should be canceled under the Plan, as set forth in II.B.8.b. above. Failure to provide timely and accurate notification of any loss in coverage or other change in eligibility status may result in immediate termination of benefits that otherwise would be available. The employee also must notify Human Resources of the current or last-known address of the person whose coverage is being canceled.
 - d. Adding family coverage because of loss of other coverage
 - (1) An employee who had elected single coverage because his or her spouse or other qualified dependents were covered through an insurance plan other than the Unified Government's may change to family coverage under his or her health care plan if the spouse or child loses the other coverage.
 - (2) "Loss of coverage" does not include a voluntary open enrollment change made by the employee's spouse for coverage under another group health plan obtained through the spouse's employment, unless unusual circumstances apply. Contact Human Resources with questions.



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- (c) is covered by a Unified Government plan on the date immediately preceding the day his or her coverage would have terminated due to age.
 - (2) The term “dependent” includes any other qualifying child or qualifying relative in accordance with Internal Revenue Code Section 152, as amended.
 - c. Definition of "foster child"
 - (1) A foster child is a child:
 - (a) who the employee is raising as the employee's own;
 - (b) who lives in the employee's home;
 - (c) who is chiefly dependent on the employee for support; *and*
 - (d) for whom the employee has taken full parental responsibility and control.
 - (2) A foster child is not:
 - (a) a child temporarily living in the employee's home;
 - (b) a child placed with the employee in the employee's home by a social service agency that retains control of the child; or
 - (c) a child whose natural parent is in a position to exercise or share parental responsibility and control.

The employee will be required to provide legal proof of dependent eligibility.

10. Change in Status

- a. If an employee waived coverage under the insurance plans during the initial eligibility or prior open enrollment period, and stated in writing at that time that coverage was being declined because the employee was enrolled under his or her spouse's health plan, the employee and his or her dependents may enroll under the Unified Government's available plans before the next open enrollment period if one of the following changes in status occurs:
 - (1) Birth of a child;
 - (2) Death of the spouse;
 - (3) Adoption or placement for adoption of a child;
 - (4) Marriage, divorce, legal separation, or annulment;
 - (5) Termination or commencement of spouse's employment;
 - (6) Termination or commencement of employment of his or her dependents;



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- (7) Changes in work, such as reduction or increase in the employee's, spouse's, or dependent's work hours, including return from unpaid leave of absence, as well as the occurrence of a strike or lockout.
- (8) Significant change in health insurance coverage of employee's or spouse's employer's health plan;
- (9) The child ceases to satisfy requirements of the spouse's plan for a dependent due to age;
- (10) Changes consistent with a change in status authorized under the 1996 Health Insurance Portability and Accountability Act (HIPAA), such as:
 - (a) Exhaustion of COBRA coverage under prior employer's plan; or
 - (b) Enrolling a child subsequent to a birth or adoption (coverage for birth or adoption events are retroactive to birth as required under HIPAA).
- (11) Changes consistent with court orders to provide health coverage for dependent children, regardless of whether the court order constitutes a "Qualified Medical Child Support Order." (Dropping and adding coverage is allowed consistent with the order.)
- (12) Changes consistent with the employee or employee's dependents becoming entitled to Medicare or Medicaid.
- (13) Any other change in status condition specified under Internal Revenue Code Section 125 or any accompanying regulations.

When coverage is elected under this provision, change in status enrollment must be completed within 31 days following the date coverage terminates under the spouse's plan, and the employee may enroll only those eligible persons who were covered under the spouse's plan. Consistent with the terms and conditions on dependent status discussed above, the Unified Government reserves the right to require proof of any of the above changes in family status. Failure to provide accurate evidence, or any attempt to file an enrollment form based on false information, may result in immediate termination of benefits that would otherwise be available.

b. Changes in Coverage

Changes in coverage will only become effective if written notice of the change in status is received by the Human Resources Department on or before the date the employee is eligible for the change in coverage or within 31 days of that date. Provided written notice is timely received, changes in



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coverage become effective on the date the employee becomes eligible for the change.

The Unified Government insurance plans may be revised to increase or decrease benefits after their effective date. Employees and dependents become covered for the revised benefits on the effective date of the revision.

c. Late enrollment, re-employment, or reinstatement

- (1) An employee who did not elect coverage for himself or herself or his or her dependents during any initial enrollment or other open enrollment period (or who subsequently fails to make any required payments for coverage within 31 days of becoming eligible for or continuing to receive coverage) and wishes to reelect such coverage will be considered as a late enrollee and will only be allowed to re-enroll in the Plan before the next open enrollment if he or she has experienced a change in status. (See II.C.10.)
- (2) Coverage will be immediate for this employee, as well as eligible dependents, upon valid proof that:
 - (a) his or her spouse has been employed, and the spouse and any eligible dependents have been covered under the spouse's group health plan;
 - (b) this information was given as the reason for "Waiver of Group Health Coverage" on the original enrollment form; and
 - (c) the spouse's coverage was terminated because the spouse is no longer employed, or the spouse's coverage is involuntarily terminated.
- (3) Re-entry into the Plan will be immediate for any employee or his or her dependents who discontinued coverage during a leave of absence taken under the FMLA, so long as the employee returns to active employment status before or immediately after the FMLA leave expires.
- (4) Re-entry into the Plan will be immediate for any former active employee and his or her dependents who have continuously been covered under the continuation coverage provisions of the Plan if the employee regains eligibility for coverage under the Plan on the basis of full-time employment while the continuation coverage is in effect.



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- (5) Re-entry into the Plan will be immediate for any former active employee and his or her dependents who discontinued coverage during
 - (1) a leave taken as part of an authorized military leave;
 - (2) a leave taken based on an approved leave of absence, as long as the employee is later reinstated and returns to active employment immediately following reinstatement. Employees who are in layoff status also will be entitled to re-enter the Plan if they return to active service within one year of the date coverage was terminated.
11. When husband and wife are both Unified Government employees:
 - a. Their dependents, if any, may be considered dependents of either the husband or the wife for the purposes of health care coverage. The two employees, not the Unified Government, decide who covers the dependents. However, both employees will not have family coverage for the same dependents.
 - b. In the event the spouse who is electing family coverage leaves Unified Government employment, the remaining spouse who has not previously elected family coverage may immediately elect family coverage. If the membership had been in the spouse's name, the membership will be changed over to the employee who is remaining with the Unified Government.
12. The Unified Government provides the same benefits to employees and their dependents regardless of age, sex, or disability.
 - a. Medicare is secondary to the Unified Government plan for employees and spouses who are 65 or older or otherwise eligible for Medicare and the Medicare-eligible individual is still actively employed. See below for individuals diagnosed with end-stage renal disease.
 - b. When the Medicare-eligible employee retires or is no longer considered an active employee (other than cases of end-stage renal disease, see below), Medicare becomes primary and the Unified Government plan, if continued, becomes secondary.
 - c. Medicare is secondary to the Unified Government-plan for the first 30 months a person has been determined to be disabled due to a diagnosis of end-stage renal disease. After 30 months, Medicare will be primary.
- C. Continuation programs
 1. COBRA Group Continuation. See also Retiree group coverage continuation program, below.



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- a. An employee who leaves Unified Government employment has the option to maintain group coverages (i.e., "COBRA" coverage) for up to 18 months by making a timely COBRA election and all monthly payments (or up to 29 months if a Medicare disability determination was made within 60 days from the date of the employee's initial COBRA eligibility and the employee notifies the Unified Government within the original 18-month COBRA eligibility period). The employee also has the option to continue group coverages for dependents. Rates charged are 102% of premium.
 - b. An employee whose spouse or child has lost eligibility as a dependent, as stated above, must notify the Unified Government within 60 days after the "triggering event," so that Human Resources may notify the former dependent of his or her COBRA rights.
 - (1) A spouse who loses coverage because of divorce has the right to continue group coverages for up to 36 months, by making a timely COBRA election and all monthly payments.
 - (2) A dependent child who loses group coverages because of age, has the right to continue group coverages for up to 36 months, by making a timely COBRA election and all monthly payments.
 - c. COBRA coverage may be extended beyond the periods stated above if a subsequent COBRA qualifying event occurs during the initial period of COBRA eligibility or as otherwise determined by the Unified Government's plan.
 - d. Human Resources will notify the employee or dependent of his or her rights and clearly state all applicable deadlines and payment schedules.
 - e. At the end of the maximum COBRA qualifying period, the person is allowed to "convert" to an individual medical plan or policy; acceptance is guaranteed, even if the person has serious health problems. There is no conversion plan available for prescriptions, vision, or dental.
2. Retiree group coverage continuation program
- a. Retired employees not covered by paragraph C.3. below may elect to continue group medical coverage (and other related coverages) for themselves and any other qualifying dependent at the retired employee's own expense, provided they qualify for a full KPERS or KP&F retirement.
 - b. To maintain retiree coverage under this program, any retired employee or other qualifying dependent who becomes eligible for Medicare will not be eligible to continue coverage under the Plan unless he or she also is enrolled in Parts A and B (including making necessary Part B premium payments) of Medicare.



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- c. If a retired employee who is Medicare-eligible and enrolled in Medicare Parts A and B terminates his or her retiree supplemental medical coverage under the Unified Government plan so he or she can enroll with a Unified Government-endorsed supplemental plan, the employee will be allowed to reinstate his or her medical benefits under the Unified Government plan at a future open enrollment as long as he or she has maintained medical and prescription coverage under the endorsed supplemental plan the entire time he or she was not on the Unified Government plan. Proof of coverage will be required.
- d. If a retired employee fails to make any required premium payments, coverage under that group medical or other related program will terminate. Once medical coverage is terminated or is otherwise discontinued for any reason, the coverage will not be reinstated for any reason, regardless of whether any other coverage alternatives have continued during that same period (e.g., continuation of dental coverage only, without continuation of medical coverage, will not enable the retired employee to purchase medical coverage later even though the employee had dental coverage continuously during such period). For these purposes, group medical coverage will include the group health plan or coverages that are provided to current employees, as well as any Medicare replacement or other Medicare supplemental coverages that are sponsored by the Unified Government during each applicable plan year.
- e. Upon the employee's retirement, the Unified Government will provide all necessary COBRA and HIPAA notices in compliance with Section II.C. above; however, the premium rates will be based on the applicable retiree rate structure, which is equal to 100 percent of the total premium cost of similar coverage made available to other Unified Government employees.
- f. A retired employee who returns to work for Unified Government and cancels his or her retiree health insurance will not be permitted to re-enroll in Unified Government retiree health insurance unless he or she qualifies for another full KPERS or KP&F retirement. Rehired Unified Government retirees who separate employment or otherwise cease coverage before another full KPERS or KP&F retirement are only eligible to continue health insurance coverage as a COBRA participant.
- g. For the purposes of this policy, the receipt of disability benefits from KPERS, KP&F, or Social Security is considered to be a "disability retirement."
- h. An individual who separates from employment before receiving approval of disability retirement benefits will be treated under this policy as eligible for COBRA group continuation coverage based on a reduction in hours



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worked until the approval has been received. If the disability retirement is denied, he or she will continue on the COBRA group continuation plan unless or until he or she ceases making required COBRA premium payments.

- i. For the purposes of this policy, the separation from employment of an individual who is Medicare-eligible and enrolled for Medicare benefits is considered to be a retirement and will continue to be covered by the Plan under coordination of benefit procedures set forth under II.B.12 above. The 18-month maximum of the federal COBRA law only applies to those who are not eligible and enrolled in Medicare.
 - i. Administrative exceptions: Retirees, spouses, and widows from the Police and Fire Department who are not eligible for Medicare Part A (hospitalization) may be covered as an administrative exception. The person is required to enroll in Medicare Part B. The Unified Government-sponsored plan will be primary for hospitalization and secondary for physician services and other Part B services.
3. Health Care Coverage for surviving family members
- a. Active Employees

The Unified Government provides at no cost to the employee's surviving dependents, 24 months of health care coverage (from the end of the month of the date of death) under the Unified Government plans offered to active employees, provided they were covered as dependents of the employee under the Unified Government health care plan at the time of the employee's death (also known as the "Family Security Benefit"), and also elect COBRA continuation coverage once initially eligible as specified under Section II.C above. At the end of the 24-month Family Security Benefit period, the employee's surviving dependents may continue coverage under COBRA, for an additional 12 months at their own cost, under procedures set forth under Section II.C.
 - b. The surviving spouse of a retiree who was covered under section C.2. above may continue to purchase insurance under that section.

III. HIPAA Privacy

- A. In accordance with HIPAA, the Unified Government has adopted Privacy Policies and Procedures that limit the use and disclosure of "protected health information" (PHI). The Unified Government's Employee Benefit Plan will only use and disclose PHI in accordance with these policies and in compliance with HIPAA. Please contact the Plan's privacy official, in care of the Human Resources Department, to receive a copy of the Plan's privacy policies and to request additional information about employees' and dependents' HIPAA privacy rights.



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RELATED POLICIES: 3.3 Separation from Employment
4.3 Flexible Spending Accounts Plan/Section 125
5.6 Family and Medical Leave
5.7 Military Leave
5.11 Leaves of Absence Without Pay