

## **TOWN OF PLAINVILLE & PLAINVILLE COMMUNITY SCHOOLS INSURANCE POLICY SPECIAL ENROLLMENT OPPORTUNITIES**

### **Taking Advantage of Special Enrollment Opportunities**

#### **What is Special Enrollment?**

Special enrollment allows individuals who previously declined health coverage to enroll for coverage. Special enrollment rights arise regardless of a plan's open enrollment period. Currently the Plainville Community Schools insurance runs from July 1<sup>st</sup> through June 30<sup>th</sup> of each year. Employees have the month of June to decide if they would like to make any changes during our open enrollment period. If changes are not made before June 30<sup>th</sup>, you will have the option to join if you qualify under special enrollments.

There are two types of special enrollment – upon loss of eligibility for other coverage and upon certain life events. Under the first, employees and dependents who decline coverage due to other health coverage and then lose eligibility or lose employer contributions have special enrollment rights. For instance, an employee turns down health benefits for him or herself and their family because the family already has coverage through his/her spouse's plan. Coverage under the spouse's plan ceases. That employee then can request enrollment in the Plainville Community Schools insurance plan.

Under the second, employees, spouses, and new dependents are permitted to special enroll because of marriage, birth, adoption, placement for adoption or changes in your income that affect the coverage you qualify for. Documentation will be required to confirm eligibility for the reasons listed above.

For both types, the employee must request enrollment within 30 days of the lost of coverage or life event triggering the special enrollment.

Special enrollment right also arises for employees and their dependents who lose coverage under the state Children's Health insurance Program (CHIP) or Medicaid or who are eligible to receive premium assistance under those programs. The employee or dependent must request enrollment within 60 days of the loss of coverage or the determination of eligibility for premium assistance.

#### **What are some examples of events that can trigger a loss of eligibility for coverage?**

Loss of eligibility for coverage may occur when:

- Divorce or legal separation results in you losing coverage under your spouse's health insurance plan. Documentation will need to be submitted
- A dependent is no longer considered a "covered" dependent under a parent's plan (for example, your dependent turns the maximum age of 26)
- Your spouse's employment ends, as does coverage under his employer's health plan (please note that a spouse's open enrollment period *is* considered a qualifying

event). You will be required to submit a letter from your spouse's current employer indicating that insurance is no longer available to you and the date that your coverage will be terminated. For a spouse's open enrollment period, we will just need documentation from their employer indicating the open enrollment period.

- Your plan decides it will no longer offer coverage to a certain group of individuals (for example, those who work part time)
- You no longer live or work in the HMO's service area

These should give you some ideas of the types of situations that may entitle you to a special enrollment right. If at anytime you have any questions, please reach out to the Director of Human Resources, Stacy Buden at [budens@plainvilleschools.org](mailto:budens@plainvilleschools.org) to verify if you qualify for special enrollment.



# Connecticut Insurance Department

## Continuation of Group Health Coverage Expanded to 30 Months

On May 5, 2010, the Governor signed Public Act 10-13, as passed by the Connecticut legislature, into law. This law extended the maximum continuation period for certain qualifying events from 18 months to 30 months. Previously, Connecticut had followed the federal rule of 18 months for these events.

Now, employees/group certificate holders under Connecticut fully insured plans who lose coverage due to a layoff, reduction of hours, leave of absence, or termination of employment (except for gross misconduct) can elect continuation of coverage for up to 30 months.

The Insurance Department is providing the following questions and answers containing the Department's interpretation of the new law to assist consumers, health insurers, COBRA administrators, producers, and Connecticut employers in understanding this law.

### — Frequently Asked Questions —

#### 1. What is the effective date of the law?

This law became effective on May 5, 2010. Any qualified beneficiary who elects Connecticut Continuation coverage or Federal COBRA coverage on or after May 5, 2010 is eligible for continuation coverage under the new law. This law also applies to qualified beneficiaries who already had coverage through state continuation or Federal COBRA on May 5, 2010. (See example in item 5).

#### 2. Which plans are subject to this law?

All fully insured group health insurance policies issued in Connecticut to employer group policyholders are subject to this law. This encompasses small and large employer groups of all sizes, including groups that employ both under and over 20 employees.

The law applies to Connecticut group health policies issued to any type employer, including private employers, public employers, non-profit employers, and church plans.

*Please note, this law does not apply to self-insured employer health plans.*

#### 3. What types of group health insurance policies are subject to the law?

This law applies to group health insurance policies providing hospital expense coverage, medical-surgical expense coverage, hospital indemnity coverage, major medical expense coverage, hospital and medical service plan contracts, and hospital and medical coverage provided to subscribers of a health care center.

This law does not apply to dental or vision coverage (except where coverage is included under the group health

policy). Similarly, separate freestanding prescription drug plans that are not included under the group health policy are also exempt.

#### 4. What qualifying events are covered under the law?

Qualified beneficiaries who experience a loss of coverage due to a qualifying event listed below are now eligible to elect continuation of coverage for up to 30 months:

- Layoff
- Leave of absence
- Reduction of hours
- Termination of employment

*Please note, employees terminated for reasons of gross misconduct are not eligible for continuation coverage of any kind.*

#### 5. How will this law impact qualified beneficiaries who are already on Connecticut Continuation or Federal COBRA?

As an example, if a former employee is in the middle of a current 18-month continuation period as of May 5, 2010, that individual is now eligible for an additional 12 months for a total of 30 months of continuation coverage.

#### 6. How does this law apply to other qualifying events such as death of a spouse, loss of eligibility of a spouse, or loss of dependent child status under the plan?

The law applies only to layoffs, reductions in hours, leave of absence or termination of employment. There are no changes to continuation rules for other qualifying events.

- 7. How does this law impact the continuation rules for qualified beneficiaries who are determined to be disabled at some point during the first 60 days of continuation coverage and are subsequently awarded Social Security Disability?**

Under prior continuation rules, qualified beneficiaries who are determined to be disabled during the first 60 days of continuation coverage and then are awarded Social Security Disability are eligible for 29 months of coverage (18 months + 11 month extension).

Since the new law provides continuation coverage for a longer period of time than the maximum coverage available to qualified disabled beneficiaries, the 30 months will prevail. There will be no additional extension of benefits beyond the 30 months due to disability, and the qualified disabled beneficiary may only be charged 102% of premium during the 30 month period.

- 8. How does the law impact the continuation rules for qualified beneficiaries who experience a second qualifying event?**

An extension of coverage is available to spouses and dependent children who elect continuation coverage and then experience a second qualifying event. To qualify for a second qualifying event, the plan must be notified within 60 days. The combination of the initial continuation period and the second qualifying event continuation period may not exceed a total maximum period of 36 months.

For example, if the initial qualifying event is termination of employment (30-month continuation period) and the second qualifying event is the death of an employee, the covered spouse and/or dependent children are eligible to extend the initial coverage period of 30 months to the total maximum period of 36 months.

- 9. Does the law extend the premium subsidy available to laid-off workers under the Federal COBRA Subsidy under ARRA?**

No, the Connecticut law is separate and distinct from the Federal COBRA subsidy program. Eligible individuals would be responsible for full payment of the continuation premium for any time period after the federal subsidy expires.

- 10. What if my plan is self-insured, will this law apply?**

No, this is a state insurance law and it will not apply to self-insured plans.

- 11. What if I am a Connecticut resident, but my employer plan is issued in another state? Am I eligible for the 30 months of Continuation Coverage?**

No, this law applies only to fully insured plans with group policies issued in the State of Connecticut. Connecticut residents will not be eligible unless they are enrolled in a Connecticut based group policy.

- 12. What if my plan is issued in the State of Connecticut, but I am not a resident of Connecticut? Is my employer required to offer me 30 months of Continuation Coverage?**

Yes, all fully insured group health plans issued in Connecticut to employer group policyholders are subject to the law regardless of where the employee resides.

- 13. I work for a large employer who provides continuation coverage under Federal COBRA. Is my plan required to follow the new Connecticut law?**

Yes, if your large employer provides coverage under a fully insured Connecticut plan, it is required to follow the new Connecticut law and provide the 30 months continuation coverage, regardless of the size of company.

- 14. How much may my employer charge me for Continuation Coverage?**

Employers are permitted to charge the full cost of the premium, plus a 2% administrative charge, for a total of 102% of the premium.

- 15. What if my Connecticut Continuation or Federal COBRA terminated before May 5, 2010? Are employers required to offer me the opportunity to re-enroll for coverage on a retroactive basis?**

No, the law applies only to qualified beneficiaries who are effective on Connecticut Continuation or Federal COBRA as of May 5, 2010. There is no provision in the law to reinstate coverage retroactively.

- 16. How can employers and COBRA administrators provide notification of the Connecticut law?**

The Connecticut Insurance Department's website [www.ct.gov/cid](http://www.ct.gov/cid) has further information regarding Public Act 10-13 including a model "Connecticut Continuation Coverage Election Notice" that details coverage under the law.