

Date: May 22, 2015

To: Agency HR and DDIR staff

From: Julie Sonier, Director, Employee Insurance Division
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Subject: Waiver of medical coverage for certain employees

Effective June 1, 2015, an employee eligible for the full employer contribution under law but not under the applicable labor agreement or compensation plan may waive medical coverage. The accompanying waiver form and procedure provide information on how to administer this new policy.

This waiver policy is in response to requests from agencies and employees. A number of employees, including student workers and returning retirees, objected to being required to take the state's coverage and disrupt the coverage they already held. We believe that this policy is advantageous for both the affected employees and state agencies.

Who is affected by this policy?

This policy includes any employee not required to carry the state's medical coverage through the applicable labor agreement or compensation plan. Generally, this will include three broad categories:

1. **Student worker, intern, seasonal, emergency, intermittent and limited unclassified** (one year temp). Employees covered under these categories may waive coverage at the time of appointment, during a SEGIP Open Enrollment, or upon a qualifying life event.
2. **PRO and Senior Judge.** Employees under these employment types may waive coverage at the time of appointment, during a SEGIP Open Enrollment, or upon a qualifying life event.
3. **Full-time employee moving to a part-time appointment** (anticipated to average less than 30 hours per week). Employees whose hours of work are reduced, such that they move from full-time to part-time employment experience a qualifying life event and may waive coverage at that time. Subsequently, these employees may waive coverage during the annual Open Enrollment or upon another qualifying life event.

Who is not included in this policy?

Application of this waiver policy is limited. It does not include employees who are:

- Eligible for the full employer contribution level coverage under the applicable labor agreement or compensation plan.
- Already enrolled. Under federal requirements, once enrolled, employees may only make changes to their medical coverage during an Open Enrollment or upon a qualifying life event.

How do we administer this waiver process?

Generally, the process is:

1. Agency HR staff identify an employee as eligible to waive medical coverage.
2. Agency staff enters the Special Eligibility Code of AW12 or AW9.
3. Agency staff makes a note in SEMA4 explaining why this employee is eligible to waive and the effective date of the appointment.
4. Agency HR staff complete the bottom part of the waiver form and give the form to the employee.
5. Employee may choose to waive or accept the medical coverage.
6. Employee or agency must send the form to SEGIP by the due date.
7. SEGIP processes properly completed and timely submitted forms. Forms submitted late for any reason will not be processed; the employee will be enrolled (or continue in) medical coverage.

As explained in the attached procedure, in some instances, eligible employees may also receive a waiver form in their insurance packet from SEGIP. Those employees may bring the form to their agency HR office to have it completed. In those instances, the agency may submit the form to SEGIP. Please keep in mind that SEGIP will not process late forms.

FAILURE TO SUBMIT A TIMELY WAIVER FORM FOR WILL RESULT IN THE EMPLOYEE BEING ENROLLED IN COVERAGE.

What are the AW12 and AW9 Special Eligibility Codes?

To be clear on which employees are eligible to waive medical coverage under this policy we have created new Special Eligibility Codes of AW12 and AW9. These codes indicate that an employee is eligible for the full employer contribution coverage but may choose to waive medical coverage. The employee may still choose dental or other optional coverage.

These two new codes provide the same coverage level as MF12, AF12, CF12, MF9, AF9, CF9, and DSF. Any movement between codes that provide the same level of employer contribution will not make an employee eligible for new elections nor will it trigger a new insurance packet.

Why are agencies required to provide the waiver form to employees?

Agency HR staff are in a position to always know if an employee is eligible to waive coverage but SEGIP will only know some of the time. SEGIP can only determine if an employee is eligible to make an insurance election outside of Open Enrollment when there is a change in eligibility. In some instances, an employee may become eligible to waive coverage but there will be no change in eligibility.

To make the administration of this policy consistent, we are relying on agencies to provide the form to all employees who are eligible to waive coverage. SEGIP's placement of a waiver form in an insurance packet will be secondary and not the official offer of waiver. This procedure will remain in place until we can add a mechanism that will allow SEGIP to provide the form consistently to all affected employees.

Where can I find more information?

- At <http://mn.gov/mmb/segip/humanresources/insurance-eligibility.jsp> see:
 - Benefits Procedure #2500 Waiver of Medical Coverage, Coverage Not Required Under Contract/Plan
 - Waiver of Medical Coverage, Coverage Not Required Under Contract/Plan form
- Your Agency Account Representative, Staffing or SEMA4. A full list is available at: <http://www.mn.gov/mmb/employee-relations/hiring-and-selection/agency-applicant-services>
- MMB website: <http://www.mn.gov/mmb/segip/humanresources/insurance-eligibility.jsp>
- SEGIP at 651-355-0100 or segip.mmb@state.mn.us