

**Benefit Procedure #2500
Waiver of Medical Coverage
Coverage Not Required Under Contract/Plan**

Issued: June 1, 2015
Revised:
Authority: M.S. 43A.28

General Instructions

An employee eligible for the full employer contribution under law but not under the applicable labor agreement or compensation plan may waive medical coverage. Any employee eligible for coverage under the law must be offered coverage. Waiving coverage is an option only when the employee is not eligible under the contract. An employee eligible for the full employer contribution level coverage under a labor agreement or compensation plan may not waive medical coverage in accordance with the terms of those documents.

Responsibilities

<p>Agencies are responsible for</p>	<ul style="list-style-type: none"> Identifying all employees eligible to waive coverage and providing them a copy of the Waiver of Medical Coverage, Coverage Not Required Under Contract/Plan form Providing Waiver of Medical Coverage to all identified employees on a timely basis Ensuring that all eligible employees receive an offer of medical coverage
<p>MMB is responsible for</p>	<ul style="list-style-type: none"> Sending employees insurance packets with the correct waiver form as indicated in SEMA4 Processing forms appropriately when they are submitted on time Ensuring the program is consistently administered according to applicable laws and rules
<p>Individuals are responsible for</p>	<ul style="list-style-type: none"> Making an informed decision; the decision to waive medical coverage can only be changed during an annual Open Enrollment or if the employee experiences a qualifying life event Completing, signing and submitting the form on a timely basis when choosing to waive coverage
<p>Contacts</p>	<p>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</p> <p>MMB website: http://www.mn.gov/mmb/segip/humanresources/insurance-eligibility.jsp</p> <p>SEGIP 651.355.0100 or segip.mmb@state.mn.us</p>

Definitions

Change in employment status. Moving between full-time (1.0 FTE to .75 FTE) and part-time employment (less than .75 FTE). Any change that either reduces an employee's hours to on average less than 30 hours per week (less than .75 FTE) or increases hours to, on average more than 30 hours per week (.75 FTE or more). All hours are measured going forward and without consideration of past hours worked.

AW12 and AW9. New Special Eligibility Codes that indicate the employee may waive coverage. Provides the full employer contribution level coverage (just like MF12 and MF9). An employee appointed on a Seasonal Basis who is eligible to waive coverage will still use the Special Eligibility Code of DAF (or DSF) only because at this time we have no other method of indicating if the employee is Seasonal.

Procedure

1. Agency human resource staff identifies an employee who is eligible for the full employer contribution coverage but is not eligible for that level of coverage under the applicable labor agreement or compensation plan.
 - a. This may include:
 - i. Reg/Temp codes of: student worker, intern, emergency, temporary (classified one-year temps), intermittent;
 - ii. 2) PRO and Senior Judge;
 - iii. 3) Full-time employees moving to part-time (scheduled to work on average less than 30 hours per week) (change in employment status).
 - b. It does not include any employee:
 - i. Eligible for the full employer contribution level coverage under a state of Minnesota labor agreement or compensation plan.
 - ii. Whose hours are reduced temporarily, so that the employee will still measure on average 30 or more hours per week and is eligible under the applicable labor agreement or compensation plan. (There must be a bona fide change in employment status).
2. Enter the employee's Special Eligibility Code in SEMA4. For an employee who:
 - a. **Is a new hire** (has not provided an hour of service within the past 13 weeks within the Control Group) process as usual but use the Special Eligibility Code AW12 or AW9 (and not MF12, MF9, AF12 or AF9).

SEGIP will provide the Waiver of Medical Coverage form in the insurance packet. There is a 35-day waiting period.

NOTE: Remember this policy only applies to employees eligible for the full employer contribution. For example, if you are processing a new part-time employee you will not follow this procedure.

- b. **Had a break in service** of up to 13 weeks process by adding a DTA/RHC row and use a Special Eligibility Code of AW12 or AW9 (and not MF12, MF9, AF12 or AF9).

SEGIP will provide the Waiver of Medical Coverage form in the insurance packet. There will be no waiting period (if the employee had provided at least 35 days of service before the break in service).

- c. **Did NOT have a break in service** change the Special Eligibility Code to AW12 or AW9. **The agency must give the employee the Waiver form to the employee.**

- d. **Is appointed on a Seasonal Basis** use the Special Eligibility code DAF or DSF. **The agency must give the employee the Waiver form.**

NOTE: Special Eligibility Code is the only current method of identifying an employee as a Seasonal Basis employee and as an employee eligible to waive coverage under this policy. Until a method other of identification is developed for either, **agencies are required to provide all Seasonal Basis employees with the Waiver form.**

3. Write a note in SEMA4 explaining the reason this employee may waive medical coverage. In SEMA4, on the job tab enter:
- a. An effective dated row off the most current row of information
 - b. Action = Data Change
 - c. Reason Code = OTH
 - d. Click on Calculate Compensation
 - e. SAVE (once saved, the note box will appear)
 - f. Enter an explanation for the waiver and the date the employee became eligible for the waiver (on the notepad for the row just created)
 - g. SAVE

NOTE: This step ensures that the reason for the change is tied to the form. The date identifies the reason.

NOTE: Steps 4 – 7 may be done in a different order. These steps may begin with the employee providing the agency HR office with the form or the agency may present the form to the employee. IT IS ALWAYS THE AGENCY HR OFFICES DUTY TO NOTIFY THE EMPLOYEE OF THE RIGHT TO WAIVE.

4. Agencies must provide complete the bottom section of the Waiver of Medical Coverage form:
- a. Employee Name: Employee's name as it is in SEMA4.
 - b. Employee ID#: Employee's state employee ID number.
 - c. Reg/Temp Code: Reg/Temp code for the employee's new appointment or change in employment status.
 - d. Job Record Number: Job record number that is associated with the coverage and the new appointment.
 - e. Effective date of the change in employment status or appointment: First day the employee provides an hour of service in the new appointment or new employment status.
 - f. Date of the note on the job record: Date the note was entered into SEMA4. (See step 2).
 - g. Length of time employee is anticipated to be ineligible: Length of time the employee is anticipated to be ineligible for coverage under the applicable labor agreement or compensation plan. Examples: for the employee's entire appointment, or the next three months. A good faith description must be included.
 - h. Agency HR staff signature: Signature of the HR staff who completed this form.
 - i. Date: Date the HR staff that signed off on this form.

5. Agency provides the employee eligible to waive the Waiver of Medical Coverage, Coverage Not Required Under Contract/Plan.
6. Employee completes his/her section of the form by:
 - a. Checking the box indicating that either all coverage is waived (single and family) or only family coverage is waived.
 - b. Sign and date the form; provide employee I.D. Number.
 - c. Submit the form to either the agency or SEGIP.

NOTE: Accepting the coverage is the employee's right. Waiver is at the employee's option.

7. Submit the fully completed form to SEGIP.
 - a. Submission may be made by either the employee or the agency.
 - b. Submit to: fax to 651-296-5445; or email to segip.mmb@state.mn.us; or 400 COB, 658 Cedar Street, St. Paul, MN 55155.
 - c. Forms not received in the SEGIP office by the applicable deadline cannot be processed and medical coverage will remain in effect:
 - i. for the remainder of the plan year (employee may waive during Open Enrollment); or
 - ii. until the employee experiences a qualifying life event that allows a change in medical coverage; or
 - iii. is no longer eligible.
 - d. The due date is generally within:
 - i. 30 calendar days from a change in employment status or by the date stated on the insurance packet if the employee receives one;
 - ii. 35 days from the date of hire or rehire or by the date stated on the insurance packet if the employee receives one.

NOTE: An employee will lose the ability to waive coverage if the form is submitted late. Late submissions will not be accepted even if the agency failed to complete their section and submit the form on time.

8. SEGIP staff will:
 - a. Process completed forms that were submitted to the SEGIP office within the deadline.
 - b. Return submission to:
 - i. Employee if unsigned.
 - ii. Agency if it failed to complete its section or if there are errors.
 - c. Return late submission and enroll the employee in medical coverage.

Forms

Waiver of Medical Coverage, Coverage Not Required Under Contract/Plan