

CITY OF SACRAMENTO
CITY POLICY INSTRUCTIONS

TOPIC: Eligibility Rules for Health and Welfare Effective Date: January 1, 1998
FROM: Office of Labor Relations Supersedes: II 97-1
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ELIGIBILITY RULES FOR HEALTH AND WELFARE

The following medical and dental eligibility enrollment rules for active employees and retirees shall apply:

1. General

The following individuals shall be eligible for medical and dental coverage:

- a. Career employees and their dependents. Children, including grandchildren living in the grandparent's home, step-children, adopted children, wards and foster children, are eligible if under age 24 and if they meet the IRS dependent definition.
- b. Non-career (+1,040) employees and their dependents. Children, including grandchildren living in the grandparent's home, step-children, adopted children, wards and foster children, are eligible if under age 24 and if they meet the IRS dependent definition.
- c. Retirees and their dependents. Children, including grandchildren living in the grandparent's home, step-children, adopted children, wards and foster children, are eligible if under age 24 and if they meet the IRS dependent definition.
- d. An employee who has a domestic partner, and is registered with the City Clerk, may cover the domestic partner under the employee's City-sponsored health plan. The employee will pay for the premium difference for the domestic partner coverage as an out-of-pocket employee cost. In no event will the City's monthly health and welfare contribution be used to pay for the cost of the domestic partner's coverage.

2. Medical Rules

- a. City medical coverage shall be mandatory for career employees unless they waive City medical coverage by showing proof of other medical coverage. Within thirty (30) days of loss of other continuous medical coverage, career employees may enroll without evidence of good health in a City medical plan. A career employee who does not enroll in a City medical plan within thirty (30) days of loss of other continuous medical coverage may then enroll in a City medical plan at open enrollment with evidence of good health if required by the medical plan.

Career employees who are covered by a City medical plan and who drop such coverage without proof of replacement medical coverage shall be eligible to re-enroll in a City medical plan at open enrollment with evidence of good health if required by the medical plan.

- b. Dependent medical coverage for career employees is not mandatory. A career employee may elect medical coverage for dependents under a City medical plan if the career employee is already enrolled in a City medical plan. City medical coverage for one or

more dependents may be waived with proof of other medical coverage. Dependents for whom medical coverage is waived may be enrolled in a City medical plan within thirty (30) days following loss of other continuous medical coverage without evidence of good health. Dependents of a career employee who are covered by a City medical plan and who drop such coverage without proof of replacement medical coverage shall be eligible to re-enroll in a City medical plan at open enrollment with evidence of good health if required by the medical plan.

A dependent of a career employee who had no other medical coverage and who declined the City's medical coverage when first eligible may enroll in a City medical plan at open enrollment with evidence of good health if required by the medical plan.

A dependent of a career employee acquired through marriage, adoption, birth or custody may be enrolled in a City medical plan within thirty (30) days of acquisition without evidence of good health. Dependents who are not enrolled during the thirty (30) days following initial eligibility may be enrolled in a City medical plan at open enrollment with evidence of good health if required by the medical plan.

- c. A career employee on leave without pay shall reimburse the City for medical benefits or benefits will terminate. The City may advance no more than three (3) months of premium. Re-enrollment in the medical plan shall be under the same medical eligibility conditions applied to any other employee.
- d. A career employee on leave without pay shall reimburse the City for dependents' medical benefits or benefits will terminate. The City may advance no more than three (3) months of premium. Re-enrollment in the medical plan shall be under the same medical eligibility conditions applied to any other employee.
- e. City medical coverage is not mandatory for a non-career employee or for dependents of a non-career employee. All other provisions outlined under 2(a-b) apply to non-career employees and their dependents.
- f. City medical coverage is not mandatory for retirees. Retirees may waive City medical coverage by showing proof of other medical coverage. Within thirty (30) days of loss of other continuous medical coverage, retirees may enroll without evidence of good health in a City medical plan. A retiree who does not enroll in a City medical plan within thirty (30) days of loss of other continuous medical coverage may not subsequently enroll in a City medical plan.

Retirees who are covered by a City medical plan and who drop such coverage without proof of replacement medical coverage shall not be eligible to re-enroll in a City medical plan.

In the event any HMO plan is changed to require evidence of good health in order to enroll or re-enroll, retirees not enrolled may enroll, but they will be required to demonstrate the required evidence of good health.

- g. Dependent medical coverage for retirees is not mandatory. A retiree may elect medical coverage for dependents under a City medical plan if the retiree is already enrolled in a City medical plan. City medical coverage for one or more dependents may be waived with proof of other medical coverage. Dependents for whom medical coverage is waived may be enrolled in a City medical plan within thirty (30) days following loss of other continuous medical coverage without evidence of good health. Dependents of a retiree who are covered by a City medical plan and who drop such coverage without proof of replacement medical coverage shall be eligible to re-enroll in a City medical plan at open enrollment with evidence of good health if required by the medical plan.

A dependent of a retiree who had no other medical coverage and who declined the City's medical coverage when first eligible may enroll in a City medical plan at open enrollment with evidence of good health if required by the medical plan.

A dependent of a retiree acquired through marriage, adoption, birth or custody may be enrolled in a City medical plan within thirty (30) days of acquisition without evidence of good health. Dependents who have no other medical coverage who are not enrolled during the thirty (30) days following initial eligibility may enroll in a City medical plan at open enrollment with evidence of good health if required by the medical plan.

- h. A retiree who fails to pay the required medical insurance premium for self or dependents may not enroll in a City medical plan except as provided under 2(f-g).
- i. During open enrollment, eligible individuals may elect coverage under any City medical plan under conditions described in 2(a-h).
- j. The term "other medical coverage" as used in these rules shall mean medical coverage comparable to City-sponsored plans with the City having the sole discretion to determine comparability.
- k. In the event any HMO offers the option to the City to require evidence of good health as a condition of enrollment or re-enrollment in the plan, the City agrees to meet and confer with the Union prior to exercising such option.
- l. In the event the City provides only HMO medical plan options, employees or retirees who reside in only one HMO service area or in neither HMO area, or who are insuring dependents living outside the HMO service areas, may request enrollment in the fee-for-service plan.

3. Dental Rules

- a. City dental coverage is not mandatory for career employees. City dental coverage may be waived by showing proof of other dental coverage. Within thirty (30) days of loss of other continuous dental coverage, career employees may enroll in a City dental plan with proof of loss of other continuous dental coverage. A career employee who does not enroll in a

City dental plan within thirty (30) days of loss of other dental coverage may not subsequently enroll in a City dental plan.

Career employees who are covered by a City dental plan and who drop such coverage without proof of replacement dental coverage shall not be eligible to re-enroll in a City dental plan.

- b. Dependent dental coverage for career employees is not mandatory. However, if one dependent is enrolled in the City dental plan, all eligible dependents must be enrolled in the City dental plan. A career employee may elect dental coverage for dependents under a City dental plan if the career employee is already enrolled in a City dental plan. City dental coverage for one or more dependents may be waived with proof of other dental coverage. Dependents for whom dental coverage is waived may be enrolled in a City dental plan within thirty (30) days of loss of other continuous dental coverage with proof of loss of coverage. Dependents of a career employee who are covered by a City dental plan and who drop such coverage without proof of replacement dental coverage shall not be eligible to re-enroll in a City dental plan.

A dependent of a career employee who had no other dental coverage and who declined the City's dental coverage when first eligible may not subsequently enroll in a City dental plan.

A dependent of a career employee acquired through marriage, adoption, birth or custody may be enrolled in a City dental plan within thirty (30) days of acquisition without evidence of good health. Dependents who have no other dental coverage who are not enrolled during the thirty (30) days following initial eligibility may never be enrolled.

- c. The dental eligibility rules in subsections 3(a) and (b) applicable to career and non-career employees who fail to enroll in a dental plan when first eligible for such benefit, shall not apply to employees hired pursuant to the reduced health and welfare contribution until after completion of sixty (60) months of continuous service or upon enrollment in a City-sponsored dental plan, whichever occurs first.

While subject to the reduced health and welfare contribution an employee may enroll themselves and if enrolled may enroll dependent(s) on an individual basis in a dental plan at their option during the open enrollment period, or within thirty (30) days of loss of any coverage the employee may have.

Upon completion of sixty (60) months of continuous service, the employee has thirty (30) days to enroll in a dental plan.

- d. A career employee on leave without pay shall reimburse the City for dental benefits or benefits will terminate. The City may advance no more than three (3) months of premiums. Re-enrollment in the dental plan shall be allowed at open enrollment.

- e. A career employee on leave without pay shall reimburse the City for dependents' dental benefits or benefits will terminate. The City may advance no more than three (3) months of premiums. Re-enrollment in the dental plan shall be allowed at open enrollment.
- f. All provisions outlined under 3(a-b) apply to non-career employees and their dependents.
- g. All provisions outlined under 3(a-b) apply to retirees and their dependents.
- h. A retiree who fails to pay the required dental insurance premium for self or dependents may not re-enroll in a City dental plan except as provided by under 3(a-b).
- i. During open enrollment, eligible individuals may elect coverage under any City dental plan under conditions described in 3(a-g).

4. Health Insurance Hardship Benefit

- a. The benefit shall be effective July 1, 1996.
- b. Eligible employees are those hired pursuant to the reduced health and welfare contribution and who during the first sixty (60) months of employment meet the following requirements:
 - (1) Must have one or more dependent(s);
 - (2) Must certify that dependents do not have or are not eligible to other health insurance coverage that has a similar level of benefits to the lowest cost City-sponsored plan;
 - (3) Must be benefit-qualified; and,
 - (4) Must waive the City health and welfare contribution.
- c. Eligible employees may request the Health Insurance Hardship Benefit to cover the cost of the actual premium of the lowest cost City-sponsored health plan.
- d. There is no vested right to the Health Insurance Hardship Benefit.
- e. The City reserves the right to utilize excess funds at its discretion.