

## **Policy: Opting Out of and Into the Medical Care Benefits – Active Employees and Disability Pensioners**

**Statement:** The Metro Code permits active employees and disability pensioners the opportunity to opt out of the medical care benefits (medical and/or dental) provided they show proof of other non-Medicare insurance coverage. Non-Medicare insurance coverage may include other individual or group health plan coverage, TriCare, etc., but may not include Medicare Advantage plans, Medicare sponsored supplemental plans, or stand-alone Medicare A, B and/or D itself. However, proof of other non-Medicare coverage may include individual or group health plans which coordinate with Medicare Parts A and B or Medicare's prescription drug benefits under Part D (eg. Metro's BCBS PPO plan coordinates with Medicare Part A, B and D). Once the member opts out of the plan, they may re-enroll within 60 calendar days of an eligible change in status or during the next Annual Enrollment. There is no requirement to provide proof of other coverage at each subsequent Annual Enrollment period.

### **Opt Out Process:**

1. Active employees and disability pensioners upon submitting proof of other non-Medicare insurance coverage may opt out of medical care benefits as follows:
  - a. During the Annual Enrollment period
  - b. At the point of initial employment, re-employment or when a disability pensioner returns to work
  - c. The effective date of a disability pension
  - d. Within 60 calendar days of an eligible change in status, as defined by the Health Insurance Portability and Accountability Act (HIPAA), which include:
    - i. Change in employee's legal marital status – including marriage, divorce, death of a spouse, legal separation or annulment
    - ii. Change in the number of eligible dependents – including birth, adoption, or placement for adoption, death, or gaining legal custody
    - iii. Termination or commencement of employment by the employee, spouse or dependent
    - iv. Change in work schedule – including reduction or increase in hours by the employee, spouse or dependent, or commencement or return from unpaid leave
    - v. Dependent satisfies or ceases to satisfy eligibility requirements
    - vi. Change in residence or worksite of employee's spouse or dependent
2. Documentation of other non-Medicare coverage may be substantiated by one of the following methods which clearly documents the opt out coverage criteria:
  - a. A copy of the employee's or disability pensioner's insurance card showing the other coverage in the employee's or disability pensioners own name.
  - b. Company letterhead from the spouse's or parent's employer noting the employee is a covered dependent

- c. Company letterhead from the other insurance carrier noting the employee or disability pensioner is covered
- d. Opt outs for the 2003 plan year may show that the employee or disability pensioner has other coverage already in place or will have coverage in place as of January 1, 2003.
- e. If the insurance is gained as a result of an eligible change in status, the documentation supplied must contain an effective date of coverage.
- f. Employees must confirm their proof of other non-Medicare coverage medical and/or pharmacy is not provided through a Medicare advantage plan, Medicare supplemental plan or Medicare A, B and/or D plan itself.

**Opt In Process:**

1. Active employees and disability pensioners may re-enroll into the medical care benefits as follows:
  - a. Within 60 calendar days of an eligible change in status, as defined by the HIPAA guidelines, which include:
    - i. Change in employee's legal marital status – including marriage, divorce, death of a spouse, legal separation or annulment
    - ii. Change in the number of eligible dependents – including birth, adoption, or placement for adoption, death, or gaining legal custody
    - iii. Termination or commencement of employment by the employee, spouse or dependent
    - iv. Change in work schedule – including reduction or increase in hours by the employee, spouse or dependent, or commencement or return from unpaid leave
    - v. Dependent satisfies or ceases to satisfy eligibility requirements
    - vi. Change in residence or worksite of employee's spouse or dependent
  - a. At the effective date of service retirement or upon conversion from a disability to a service pension where other eligible dependents may also be added
  - b. At the time a survivor's (or dependent child's) pension benefit is processed if the deceased was an active employee
  - c. During the Annual Enrollment
2. Documentation of loss of coverage and the insurance termination date may be substantiated by one of the following methods:
  - a. Company letterhead from the spouse's or parent's employer noting the employee's or disability pensioner's other coverage is being terminated
  - b. Company letterhead from the other insurance carrier noting the employee's or disability pensioner's coverage is terminating
  - c. Other documentation as allowed under HIPAA.

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