

## Health Connector Policy: Employee Additions and Terminations of Coverage

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Approved by: **Ed DeAngelo**

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### **Applicable to all Small Group products (Qualified Health Plan or QHP/ Qualified Dental Plan or QDP)**

An Eligible Employer group may add an eligible employee after the employer group's coverage effective date in cases where the employee is either:

1. A new hire; or
2. A newly eligible employee.<sup>1</sup>

#### **Employee Addition – Effective Date Rules:**

Eligible employers must, at the time of initial enrollment or annual renewal, select a new hire effective date rule to be applied to all newly-eligible employees who become newly-eligible outside of the employer's annual open enrollment period. Eligible employers may select one of the following rules:

1. First (1<sup>st</sup>) day of the month following or coinciding with date of hire (e.g. Date of hire is March 3<sup>rd</sup>, coverage begins April 1<sup>st</sup>)
2. First (1<sup>st</sup>) day of the month following or coinciding with thirty (30) days after the date of hire (e.g. Date of hire is March 3<sup>rd</sup>, coverage begins May 1<sup>st</sup>)
3. First (1<sup>st</sup>) day of the month following or coinciding with sixty (60) days after the date of hire (e.g. Date of hire is March 3<sup>rd</sup>, coverage begins June 1<sup>st</sup>)

Eligible Employers cannot change the new hire effective date rule associated with a plan year once the plan year has begun.

In all cases, the anniversary date of an Eligible Employee added mid-year will be the same as the Eligible Employer's anniversary date, regardless of the Eligible Employee's coverage start date.

#### **Employee Addition – Shopping Periods and Effective Dates:**

The Eligible Employee's coverage effective date will be determined by their date of hire, which must be provided by the Eligible Employer, and the Eligible Employer's effective date rule.

An Eligible Employee can never enroll with an effective date of coverage that is earlier than the coverage effective date they would receive under the Eligible Employer's new hire effective date rule.

Prior to the coverage effective date, newly-eligible employees will have at least thirty (30) days in which they can shop for coverage (the Newly Eligible Shopping Period). The Newly-eligible Shopping Period begins on the later of:

- (a) The Eligible Employee's date of hire; or,
- (b) The date the Eligible Employee is added to the Eligible Employer's roster of Eligible Employees.

The Newly-eligible Shopping Period ends on the later of:

- (a) The Eligible Employee's coverage effective date; or,
- (b) Thirty (30) days after the beginning of the Newly-eligible Shopping Period.

Outside of the Newly-eligible Shopping Period, an Eligible Employee can only enroll:

- (a) During the Eligible Employer's annual open enrollment period; or,
- (b) Due to an Eligible Employee timely reporting a qualifying life event.

### **Employee Addition - Retroactive:**

An eligible employee may be added to an Eligible Employer Group's coverage retroactive to the first day of a month, not to exceed sixty (60) days. The eligible employee's requested retroactive effective date of coverage may not precede the employee's date of hire or the date that the employee is eligible for coverage under the Employer Group's rule for new hires.

In order for the employee to be enrolled, the premium payment in full for all applicable coverage months must be paid by the payment due date in the month before prospective coverage begins, not to exceed sixty (60) days.

### **Employee Termination:**

An eligible employee who ceases to be an eligible employee (*i.e.*, the employer group has removed the employee from the census), may be removed from an employer group's coverage upon notice from the employer group. The coverage end date must be the last day of a calendar month. The coverage end date can be retroactive from the date of notice, but it cannot be no more than sixty (60) calendar days prior to the date of the report of loss of eligibility.

An eligible employee who remains eligible but, as the result of a qualifying life event<sup>2</sup>, elects to terminate their coverage may be removed from the employer group's coverage upon notice from that eligible employee. The coverage end date must be the last day of a calendar month. The coverage end date can be retroactive from the date of notice, but it cannot be more than thirty (30) days prior to the date of the report of loss of eligibility.

### **Exceptions:**

In cases of errors made by the Health Connector or other exceptional circumstances, coverage effective and/or termination dates will be determined based on the facts and circumstances and may exceed the limits stated above.

<sup>1</sup> Please reference the policy [Employee Eligibility and Verification \(GME-1B\)](#)

<sup>2</sup> Please reference the policy [Mid-Year Life Events or QLEs \(GME-2\)](#)