



To: Agency HR Directors and Designees, DDIR staff

From: Galen Benshoof, Acting Director, Employee Insurance Division

Subject: Waiver of medical coverage

Effective July 1, 2017, all employees eligible for the full employer contribution may waive medical coverage by signing and dating a form and providing proof of other coverage. This new waiver provision, enacted by the 2017 legislature, was included in the [State Government Omnibus bill](#) (2017 First Special Session, Chapter 4, Article 2, Section 26).

The following FAQs and the accompanying forms provide information on how to administer this new policy. The first form is [Waiver of Medical Coverage](#). This is the form that an employee who receives the full employer contribution must submit in order to waive medical coverage. The second form is the [Proof of Medical Coverage Through Another State Employee](#). This form states that one employee intends to cover the other and serves as the proof of other coverage that is required.

We will be posting similar FAQs on our website for employees.

Frequently Asked Questions

Question 1. When can employees begin waiving coverage?

The provision takes effect on July 1, 2017. Beginning on that date any new hire or newly eligible employee can choose to waive medical coverage. Employees currently enrolled in medical coverage can only change their coverage level, including waiving coverage, during Open Enrollment or upon a qualified life event.

Question 2. Who can waive coverage under this policy?

All employees can waive medical coverage, including those eligible for the full employer contribution under the applicable labor agreement or compensation plan as well as those eligible only under law.

Question 3. How does an employee waive medical coverage?

Employees eligible for the full employer contribution: Must submit a completed [Waiver of Medical Coverage form](#) and acceptable proof of other coverage to SEGIP's office within the employee's enrollment period. Employees eligible for medical coverage due to Employer Shared Responsibility (ESR) must provide proof of other coverage. This is a change from the current practice.

Employees eligible for a partial or no employer contribution: May waive coverage without providing proof of other coverage. There is no change to current practice.

Question 4. Will any waiver form be accepted?

No. Beginning July 1, 2017 only the new waiver form will be accepted. It is the [Waiver of Medical Coverage form](#) with the date of July 1, 2017. (The old ESR waiver forms will not be accepted.)

Question 5. Is medical coverage the only benefit that requires proof of other coverage to be waived?

Yes, medical coverage is the only insurance benefit that may require an employee to show proof of other coverage in order to waive it. Proof of other coverage is not required to waive dental or the other optional coverages.

Question 6. What other coverage will be accepted?

Other types of medical coverage that are accepted include group health plans sponsored by an employer or other entity such as a trade group, individual health plans purchased through an exchange or the open market, Veterans Affairs coverage, TRICARE, Part A and/or Part B of Medicare, or public programs.

Other coverages that are not accepted include a health reimbursement account (HRA) or a health savings account (HSA) that are not paired with a high deductible health plan (HDHP), a flexible saving account (FSA), disability coverage, long-term care insurance, automobile coverage, or other insurance coverage that does not primarily cover both hospital and medical costs.

Question 7. What proof of other coverage will be accepted?

Generally, the proof must be an official document of the coverage provider that demonstrates you have acceptable medical coverage at the time of the waiver.

- Your spouse or parent who is enrolled in medical coverage offered through SEGIP: Proof of Medical Coverage Through Another State Employee form.
- Other group coverage (including another employer): Letter on that employer's/group's letterhead, dated and signed by a company official.
- Individual medical policy: Letter of creditable coverage dated within the last 30 days.
- VA and Medicare coverage: A copy of your medical card.
- Medicaid: Official Medicaid letter dated within the last 30 days.
- TRICARE: [Official proof of TRICARE Coverage](#).

Question 8. Will an employee who waives coverage be allowed to enroll in SEGIP administered medical coverage at a later date?

An employee who waives the state-sponsored employee medical coverage may enroll in that medical coverage during the following Open Enrollment or upon a qualified life event. Only the loss of certain types of other coverage create a qualified life event. Without a qualified life event, an employee will be limited to enrolling in the state's medical coverage during Open Enrollment only. Employees should call SEGIP with questions about their particular coverage type.

Question 9. Will an employee automatically be enrolled in medical coverage if the employee does not submit both the Waiver of Medical Coverage form and proof of other coverage on time?

Yes, any employee eligible for the full employer contribution must submit the [Waiver of Medical Coverage form](#) and proof of other coverage by the deadline or that employee will automatically be enrolled in medical coverage.

Question 10. Will employees in an enrollment period on July 1, 2017 be allowed to waive coverage?

Yes, as long as the employee is not enrolled in SEGIP sponsored coverage at that time. The [Waiver of Medical Coverage form](#) will not be included in enrollment packets until July 1, 2017. Prior to that date, it is the responsibility of agencies to inform employees who are in an enrollment period of the option to waive medical coverage.

Question 11. How often will an employee be required to show proof of other coverage?

Proof must be provided when the employee waives medical coverage with an offer for the full employer contribution. The employee does not need to show proof of other coverage during Open Enrollment to continue to waive medical coverage.

Example #1: An employee is appointed and begins work on August 10, 2017. Within the employee's 35-day enrollment period the employee waives by submitting a completed Waiver of Medical Coverage form and provides proof of other coverage. That employee will not be required to show proof of other coverage during the 2018 Open Enrollment period (held during the fall of 2017).

The employee elects coverage during the 2018 Open Enrollment period and that coverage takes effect on January 1, 2018. During the 2019 Open Enrollment period the employee again chooses to waive coverage and so must submit another Waiver of Medical Coverage form and new proof of other coverage. The waiver will take effect on January 1, 2019.

Example #2: An employee currently has waived coverage and moves to a new position and the special eligibility code changes from AW12 to MF12. The employee will only need to provide a new form and proof of other coverage if the employee experiences a change in employment status:

- If this employee was providing less than 30 hours per week and in the new position is anticipated to provide 30 or more hours per week then the employee experiences a change in employment status and has the opportunity to make a new election. No enrollment packet will be sent to the employee because the employer contribution level has not changed. This is a qualified life event and it is up to the employee to notify SEGIP of the change.
- If this employee does not experience a change in employment status, the employee was providing 30 or more hours per week and is anticipated to continue at the level, then there the employee is not eligible to make new coverage elections. The employee's coverage will continue to be waived and no new form or proof is required.

Example #3: An employee moves from MF12 to AW12. This employee was providing 40 hours per week and has accepted a position anticipated to provide 25 hours per week. This employee has experienced a change in employment status (a reduction in hours from more than to less than 30 hours per week) which is a qualified life event. This employee will not receive a new packet because the employee will retain the full contribution at least through the current stability period. The employee may waive coverage but it is up to the employee to notify SEGIP of the qualified life event.

Example #4: An employee was appointed to a position eligible for the partial employer contribution and waived coverage by not enrolling in it. The employee is appointed to a full time position and is eligible for the full employer contribution. (The employee has moved from MP12 to MF12.) This employee will be required to submit a waiver form and submit proof of other coverage within his/her enrollment period in order to waive medical coverage. This is because the employee is being offered the full employer contribution. The employee will automatically be enrolled in medical coverage if the employee does not either enroll or submit a waiver form and proof of other coverage.

Question 12. Will agencies continue to use the "AW" special eligibility codes?

Yes. The AW special eligibility codes will continue to be used to indicate that an employee is eligible for the full employer contribution under ESR and not under the applicable labor agreement or compensation plan. However, the AW codes will no longer indicate that an employee is eligible to waive coverage, because all employees can now waive coverage. (Remember, employees with the special eligibility code of AW12 who wish to waive coverage must provide proof of other coverage and must sign and date the new waiver form. Previously, these employee could waive without showing proof of other coverage.)

Question 13. What special eligibility code is used for employees who waive coverage?

Agencies must enter every employee's appropriate special eligibility code in SEMA4. An employee choosing to waive coverage

will submit the [Waiver of Medical Coverage form](#) and proof of other coverage to SEGIP. SEGIP will enter the waiver into SEMA4. The employee will retain their special eligibility code because represents the level of coverage that the employee is entitled and because the employee may later choose to enroll in medical coverage. Agencies can see if an employee waived coverage on the Health Benefits page in SEMA4.

Question 14. Do agencies need to track employees waiving medical coverage?

No. SEGIP will track the number of employees waiving medical coverage through coding in SEMA4.

Question 15. Will employees be given a grace period to submit proof of other coverage?

Yes. Employees must submit their [Waiver of Medical Coverage form](#) within their enrollment period. However, they will be granted an extra 30 days from the end of their enrollment period to submit their proof of other coverage. If no acceptable proof of other coverage is provided within the grace period, and the employee is not actively working with SEGIP to obtain the proof, SEGIP will enroll the employee in medical coverage.

Question 16. Do agencies need to provide employees with a waiver form?

No. Agencies will no longer need to provide employees with a waiver form. Waiver forms will be included in all enrollment packets and will be available in Self Service during Open Enrollment. Because employees will only be able to enroll during Open Enrollment, when they receive an enrollment packet, or due to qualified life events, agencies will no longer need to provide employees with the waiver form.

Question 17. Will SEGIP collect proof of other coverage for employees who waived coverage prior to July 1, 2017?

No, SEGIP will not require employees who waived coverage prior to July 1, 2017 to provide proof of insurance eligibility unless or until the employee experiences a change in employment status and is eligible to make insurance elections (outside of Open Enrollment).

cc: Deputy Commissioners, Edwin Hudson, SEGIP staff



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