

**CITY OF WESTFIELD**  
**Health Insurance Trust (Trust)**

**MEMORANDUM**

To: Trustees  
Mayor Brian Sullivan

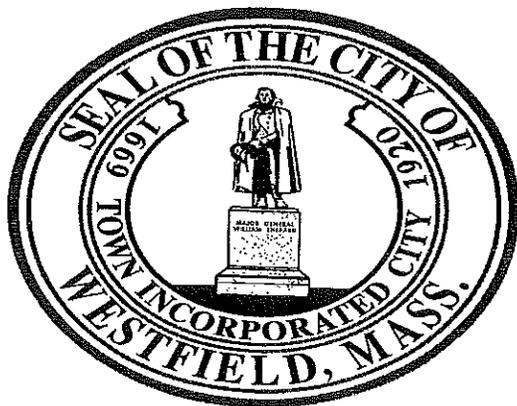
FROM: Trust Administrator

DATE: February 2017

SUBJECT: Health Insurance Eligibility

Attached hereto are a set of regulations that shall be used from the date of acceptance by the Mayor as evidenced by the Mayor's signature on the document in determining eligibility for participation in the City of Westfield, MA health insurance programs administered by the Trust. It is appropriate that these regulations be made available to individuals whose job it is to enroll new employees and retirees of the City of Westfield, MA in the health insurance programs so that they may be aware as to who is and who is not eligible.

These regulations may require change or amendment in the future. If such change or amendment is made, a new version of the regulations will be issued and adopted by the Trustees of the Trust and signed off on by the Mayor. Until receipt of any new regulations these shall remain in effect.



**City of Westfield Health Insurance Trust (Trust)**  
**ELIGIBILITY REGULATIONS**

Approved by the Mayor



Brian P. Sullivan, Mayor

On this day of

February 27, 2017

**CITY OF WESTFIELD, MASSACHUSETTS  
HEALTH INSURANCE TRUST  
ELIGIBILITY REGULATIONS**

**Article 1      General Provisions**

**1.1      Authority**

These regulations are promulgated pursuant to the grant of authority contained in M.G.L. Chap. 32B to the "appropriate public authority" which, in the City of Westfield (City), is the Mayor (See M.G.L. Chap. 32B. Sec. 2(a). By vote of the City Council of the City of Westfield on December 18, 2003 the Trust was established to administer the health insurance programs for the City. The regulations are guidelines for use in explaining eligibility and are not contractual in nature. To the extent that eligibility as set forth herein is inconsistent with eligibility as specified in the Trust's selected health insurance contracts, the terms of the contracts of insurance shall control.

**1.2      Definitions**

**Basic health Insurance:** Health Maintenance Organization coverage, or Preferred Provider Organization coverage, whether available to an employee or to a retiree. The enumeration provided herein is descriptive in nature and is not to be read as an assurance that any particular coverage as enumerated herein is available at any one point in time.

**COBRA:** Consolidated Omnibus Budget Reconciliation Act, an Act which provides certain individuals covered by basic health insurance with limited continuation rights subsequent to the occurrence of a qualifying event.

**Deferred Retiree:** An employee whose City service terminates and who has vested rights to a retirement allowance relating to City employment which is currently deferred. A deferred retiree and his/her eligible dependents cannot participate in the City basic health insurance until he/she is either: (a) reinstated/reemployed by the City as an "employee" as defined below, or (b) he/she commences receiving his/her Westfield Retirement Board pension. The eligible dependents of a deferred retiree are those who are eligible on the date that the retirement allowance commences.

**Dependent:** An insured employee's or insured retiree's legal spouse, including a former spouse entitled to coverage pursuant to the terms and restrictions of M.G.L. Chap. 32B, Sec. 9H but no other such former spouse; an insured employee's or insured retiree's children under age of twenty-six (26) by birth or legal adoption; minor children placed in the custody of an insured employee or insured retiree pursuant to an order of guardianship; handicapped child as defined herein. In addition, the term dependent includes children under age twenty-six (26) or an insured employee or insured retiree or the surviving spouse of an insured employee or an insured retiree; or qualify as dependents for federal income tax purposes; or are the subjects of a court order that requires the insured employee or insured retiree to provide health insurance for the child/children. An insured employee's or insured retiree's dependent's dependent.

**Employee:** Any person whose time is devoted to the service of the City of Westfield during the regular work week of permanent employees (to exclude any member of a board or commission who holds their seat pursuant to appointment); and officials elected to City office by popular vote during the term for which they are elected. See definition of "regular work week" below. Pursuant to all Federal and/or State Law.

**Family Health Coverage:** Health coverage which includes the person entitled to a Health Maintenance Organization, or Preferred Provider Organization coverage under the City's basic health insurance and his or her eligible dependents (for spouse see definition of dependent).

A child under twenty-six (26) years of age and who otherwise meets the eligibility requirements of the City's selected insurance carrier.

**Handicapped Child:** An insured unmarried child who is mentally or physically disabled and incapable or earning his/her own living on the date he or she would normally lose eligibility (age 26) in conformity with the requirements of and subject to the approval of the City's selected health insurance carrier. Application must be submitted within thirty (30) days after the date the child would normally lose eligibility.

**Individual Health Coverage:** Health Maintenance Organization or Preferred Provider Organization coverage for only the person entitled to coverage under the City's basic health insurance, and for no other persons.

**Leave of Absence Without Pay:** An authorized absence from scheduled work where the employee is not entitled to salary, wages or other compensation.

**Regular Work Week:** Work in the service of the City by an employee of not less than 20 hours regularly, or which meets other statutory requirements. The 20 hour minimum

requirement each week may not be averaged over any period of time. See definition of "employee" above.

**Retiree:** A former employee in the service of the City whose services have ended, and who is eligible for and actually receives a retirement or pension allowance from the Westfield Retirement Board. This definition intentionally excludes teachers that are eligible for and participate in the Retired Municipal Teacher (RMT) program administered by the Commonwealth's Group Insurance Commission (GIC). See 2.4.

**Retirement:** A status which entitles a former employee whose services have ended to a pension allowance to be administered by the Westfield Retirement Board either at the time the employee ceases services or at some future date. An insured employee whose services have ended, and who is not entitled to a retirement-pension allowance, ceases to be eligible for continuation of basic health insurance.

**Surviving Dependent:** An insured dependent child under age twenty-six (26) of an employee/retiree who dies while insured under any of the plans administered as part of basic health insurance or an insured dependent child under age twenty-six (26) if an unmarried surviving spouse who dies while insured under any of the plans administered as part of basic health insurance.

**Surviving Spouse.** The insured unmarried widow or widower of an insured employee or an insured retiree. Such an individual must have been married to and not divorced from the individual through whom he/she claims basic health coverage at the time such individual died.

## **Article 2 Eligibility and Participation**

### **2.1 New Employees**

When a person who qualifies as an employee as defined in Article 1 commences his/her first day of work for the City, he/she must be informed by the City of his/her rights and options with respect to basic health insurance. Such individual shall be presented with a form(s) on which he/she shall indicate his/her preference with respect to basic health insurance and said form(s) shall be made a part of employee's personnel file. If the duties of the person are intended to be either "seasonal" or "emergency" in nature (see M.G.L. Chap 31 for operative definitions) such a person is not eligible for basic health insurance and a form to that effect executed by an authorized clerk or other City employee is designated shall be placed in the person's personnel file. Elected officials who meet the definition of employee as set forth in Article 1 shall be presented by the City Clerk with the appropriate form(s) within seven (7) days of their swearing in. The

health insurance enrollment form is to be submitted to the Personnel Department no later than 31 days from the date first of hire.

## **2.2 Individual and Family Health Coverage**

- (1) An employee may elect individual health coverage at the time of hire. This coverage does not extend to anyone but the employee.
- (2) An employee may elect family health coverage at the time of hire. If an employee elects individual coverage at the time of hire, he or she may later elect family health coverage upon a change of circumstances which constitutes a qualifying life event (e.g., marriage or adoption) subject to Section 125 of the Internal Revenue Service Code or at the next open enrollment. Family health coverage includes the employee as well as each person who is a dependent as defined in Article 1. Employees who do not have a qualifying life event that warrants a change from individual to family coverage would be required to wait until "open enrollment" to commence a change.
- (3) Family health coverage is conditioned upon submission of such documentation as the employer may require. Such documentation may include a marriage certificate, birth certificate, divorce decrees (e.g., continued coverage is a right afforded by law or court decree to the former spouse), or such other similar documentation that may be used to establish eligibility. An employee with no eligible dependents shall only be eligible for individual health coverage.
- (4) Where both a husband and wife are employed by or retired from the City (regardless of what entity administers the retirement pension/allowance) they may each have one individual health coverage. In the alternative, one may have family health coverage which will provide the other as a dependent.
- (5) Retirees who are Medicare eligible will select a Medicare-supplement plan. As Medicare supplement plans provide individual health coverage only, family coverage is not an option. Spouses of retirees sixty-five (65) or older who are themselves under age sixty-five (65) may select a health plan offered to active employees until eligible for the Medicare supplement plan. Retirees sixty-five (65) or older who have a dependent child under the age of twenty-six (26) stays on the Health Maintenance Organization or Preferred Provider Organization but Medicare is the primary provider.

## **2.3 Leave of Absence**

The City of Westfield follows the terms of MGL 32b, Section 7(b) with regard to determination of the premium subsidy paid by the City for insurance for employees on an approved Leave of Absence (LOA). *(The City's currently bargained subsidy rate should be substituted for any references to the rate of subsidy noted in MGL 32b, Section 7(b), (i.e.: 50%).)*

Three classifications of Leave of Absences are noted in 32b Section 7(b):

- 1) Paid LOA
- 2) Unpaid LOA – not related to employee’s illness and
- 3) Unpaid LOA – related to employee’s illness

### **Section 32b, Section 7(b)**

- 1) **If an employee is entitled to receive, during a calendar month, salary, wages or other compensation, and the premium has not been withheld from said salary, wages or other compensation, he may continue his insurance in effect by paying directly to the governmental unit the premium which would otherwise have been deducted from his salary or wages and said governmental unit shall contribute the remaining fifty per cent of the cost of the premium.**
- 2) **If an employee is not entitled to receive salary, wages or other compensation for a calendar month, for purposes of this chapter, he shall be deemed to have been granted a leave of absence without pay, and shall make payment for the entire cost of his insurance to the governmental unit as aforesaid, and there shall be no contribution by the governmental unit for such employee’s insurance.**
- 3) **If an employee is not entitled to receive salary, wages or other compensation for any calendar month, due to illness of such employee and not because of illness of his immediate family, for purposes of this chapter he shall be deemed to have been granted sick leave without pay, and subject to the rules and regulations of the appropriate public authority, said employee shall make payment for fifty (50%) percent of the cost of his insurance to the treasurer of the governmental unit, and such governmental unit shall contribute the remaining fifty(50%) percent of said premium.**

In addition to 32b, Section 7(b), the City has the following policy with respect to administration of premium payments for Insurance:

- If an employee is on a paid LOA – deductions will be taken from the employee’s paycheck to cover the premiums due and will be entitled to the City subsidy.
- If an employee is on an Unpaid LOA – The employee will be provided information regarding the process for direct payment of the premiums.
  - Premiums are due by the 15<sup>th</sup> of the month prior to the coverage month
  - There is a 30 day grace period (i.e.: until the 15<sup>th</sup> of the month of coverage)
  - Coverage will be cancelled for non-payment if not received by the 15<sup>th</sup> of the coverage month

- No reminders are sent – it is the employee’s responsibility to remit payments in a timely fashion
- Employees classified under #3 above (Sick Leave without Pay) are entitled to receive the City subsidy, regardless of how long they are out, providing the Unpaid Sick Leave without Pay is an approved LOA.
- Employees classified under #2 above (LOA without Pay – not due to employee’s illness)
  - This category of employee on a LOA will be entitled to the City subsidy for one year from the initial commencement of the LOA.
  - After the one year period has been reached, the employee can still access the plans but they will be required to pay the full premium amounts (i.e.: no City subsidy).

The Departments submitting timecard information will need to insure that all approved LOA time is categorized correctly.

- (2) An employee absent from work due to industrial accident for which he/she is receiving indemnity payments pursuant to M.G.L. Chap. 152 (Workers Compensation) or similar law shall continue in the basic health insurance with the employer paying such percentage of the premium as is required by the terms of the health insurance option selected. The employee must make arrangements, generally through his/her departmental payroll clerk, to assure that his/her portion of the premium continues to be paid. Notwithstanding the foregoing, entitlement to workers compensation payments or payments under a similar law does not entitle an employee who is separated from City service to continue basic health insurance.
- (3) An employee who is on leave of absence due to a call to active duty military service and who provides documentation to that effect to the Personnel Department prior to their military service shall choose in writing to either drop or continue basic health insurance for the duration of the leave. If he/she has dropped coverage, restoration to coverage is subject to approval by the Trust Administrator who shall confer with the health insurance carrier. If he/she chose to continue coverage, it shall be on the same terms as would have been in effect had he/she not entered active duty. If he/she has not made the necessary arrangements with the Personnel Department to pay his/her portion of the premium, basic health insurance shall continue and he/she will be required to pay such portion of the premiums as he/she owes upon return to City service or within such reasonable period of time thereafter as the City Treasurer requires.

## **2.4 Retired School Personnel Eligible for Participation in the RMT**

Pursuant to 805 CMR: Group Insurance Commission 7:00 retiring school personnel eligible for participation in the RMT shall continue to be covered under the City's health plan and be responsible for payment of their premium contributions until such time as their coverage with the RMT becomes effective.

### **Article 3 Termination of Services/Retirement – Employees not entitled to receive a Pension or Retirement Allowance**

Employees who are not entitled to receive a pension or a retirement allowance upon termination of employment are not entitled to continue in the basic health insurance program offered by the City upon their separation from City employment. But see Article 8 for further information.

### **Article 4 Surviving Spouse**

The insured surviving spouse of an insured employee or insured retiree may elect to remain insured for basic health coverage until remarriage or death. Subject to Article 3, the surviving spouse, and dependents, if any, may be insured for basic health coverage with the same employer contribution to which the employee/retiree would be entitled if living. The surviving spouse will receive notification of his or her right to continue coverage within fourteen (14) days of the Personnel Department receiving notification of the insured employee's or insured retiree's death. The surviving insured spouse shall have sixty (60) days to notify the Personnel Department if he/ she wishes to continue coverage. The surviving spouse shall be responsible for making premium payments within the applicable grace period or coverage will terminate for nonpayment of premiums. Reinstatement in the basic health insurance shall be subject to the approval of the Trust Administrator who shall confer with the health insurance carrier.

No surviving spouse who is eligible for coverage as an employee shall be eligible for survivor coverage until he/she terminates City service.

Coverage also terminates should the surviving spouse enroll in another health plan. Once coverage is terminated, the surviving spouse may not re-enroll.

All surviving spouses of an insured employee who are Medicare eligible shall enroll in Medicare A and B (Part B at their expense) and shall select a Medicare supplement option. The retiree portion of the premium shall be deducted from the monthly pension check. In the event the check is not sufficient to allow for the deduction of the full amount of the retiree's portion of the premium, no deduction shall be taken but retiree

must make arrangements in writing with the Personnel Department prior to their receipt of their first monthly check in order to assure continued coverage.

#### **Article 5      Surviving Dependents**

The insured surviving dependent of an insured employee, insured retiree or insured surviving spouse may elect to remain insured for basic health insurance until: (a) covered under another health insurance plan, (b) marriage, or (c) age twenty six (26), whichever occurs first. The surviving dependent will receive notification of his or her right to continue coverage within fourteen (14) days of the Personnel Department receiving notification in writing of the insured employees, insured retirees or insured surviving spouses death. The surviving insured dependent has sixty (60) days to notify the Personnel Department if he or she wishes to continue coverage. The surviving dependent shall pay the premiums within the applicable grace period or the surviving dependents coverage will terminate for nonpayment of premiums. Reinstatement in the basic health insurance shall be subject to the approval of the Trust Administrator who shall confer with the health insurance carrier.

Coverage terminates should the surviving dependent enroll in another health plan. Once coverage is terminated, the surviving dependent may not re-enroll.

#### **Article 6      Retirement – Westfield Retirement Board Retirees Only**

- (1) A retired employee entitled to a pension or retirement allowance through the Westfield Retirement Board may continue basic health insurance coverage by paying his/her required portion of the cost of the selected insurance with the remaining contribution being made by the City. All such retirees who are Medicare eligible shall enroll in Medicare A and B (Part B at their expense) and shall select a Medicare supplement option. The retiree portion of the premium shall be deducted from the monthly pension check. In the event the check is not sufficient to allow for the deduction of the full amount of the retiree's portion of the premium, no deduction shall be taken but retiree must make arrangements in writing with the Personnel Department prior to their receipt of their first monthly check in order to assure continued coverage. Failure to make payment of premiums owed within the applicable grace period will result in the retired employee losing coverage.
  
- (2) If a retired employee did not participate in basic health insurance coverage at the time of retirement, health insurance coverage as a retiree shall not commence until an application has been submitted to the Personnel Department and the insurance carrier approves coverage. In the absence of a qualifying life event, the retiree can enroll only during open enrollment.

- (3) Retired employees who have been rehired as employees under the applicable provisions of M.G.L. Chap. 32 and are receiving salary or wages are not eligible to be insured as active employees unless such employees in writing waive and renounce their pension rights for the period of time in which they are reemployed and such reemployment is made on a full-time basis. Changes in insurance coverage in such circumstances are subject to the approval of the insurance carrier.
  
- (4) Retired employees who voluntarily withdraw from basic health insurance coverage are not eligible for reinstatement at any future date until they submit an application to the Personnel Department and are approved by the insurance carrier. In the absence of a qualifying life event the retiree can enroll only during open enrollment.
  
- (4) School personnel who are eligible to receive insurance through the RMT are subject to the rules of the GIC. To be eligible to participate in the RMT retiring school personnel are required to be insured in the City's health or life insurance plan on the date of their retirement pursuant to 805 Code of Massachusetts Regulations 7.00.

**Article 7      Change in Coverage – General**

Insured employees or insured retirees who wish to make changes in coverage are subject to the requirements and rules of the selected insurance carrier. Changes may not be able to be effectuated until the carrier's "Open Enrollment" period. Insureds should not expect to be permitted to change plans during the year absent a qualifying life event as per Section 125 of the Internal Revenue Code and approval by the selected insurance carrier. Insureds have a duty to notify the Personnel Department on such forms as may be required of any change which may affect insurance eligibility.

**Article 8      Unsubsidized Continuation Rights (COBRA)**

Certain individuals may be entitled to participation in the health insurance programs of the City on a full pay basis or greater than full pay basis. These regulations do not address and are not intended to address such an entitlement. Most such individuals will be former employees and/or their dependents that may be entitled, in certain instances, to limited rights to continuation of health insurance plan participation pursuant to COBRA. The applicable law and its implementing regulations together with the requirements of the insurance carrier control COBRA entitlement.

**Article 9      Effective Date and Interpretation**

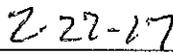
These regulations are effective on the date of the signature of acceptance by the Mayor below. Failure of the regulations to address a particular eligibility issue is not to be interpreted to either grant or deny eligibility. These regulations are administrative in nature and are subject to change without notice. The regulations are not intended and are not to be construed to limit or restrict the authority of the Mayor as the "appropriate public authority" under M.G.L. Chap. 32B.

In the event any provision of these regulations conflicts with any state or federal statute or regulation and/or terms of an applicable Collective Bargaining Agreement (CBA) between the City and a bargaining unit of the City the terms of the state or federal statute or CBA shall prevail.

The City of Westfield Health Trust Trustees reviewed and approved these Eligibility Regulations at a meeting of the Trustees on February 23, 2017.

These Eligibility Regulations were reviewed and approved by Mayor Brian Sullivan on February 27, 2017.

  
\_\_\_\_\_  
Mayor Brian Sullivan

  
\_\_\_\_\_  
Date