



## Health Insurance Policy

### PURPOSE

The purpose is to explain to Grand Traverse County employees what qualifies them for the County's Health insurance and for our employees to have a better understanding of the type of insurance offered. Health insurance can reimburse the insured for expenses incurred from illness or injury, or pay the care provider directly.

### POLICY & PROCEDURE

Regular full-time employees are eligible on the first of the month following thirty days of employment for coverage under the County's group health insurance plan. Regular part-time employees who elect to do so may be covered, with the County covering the pro-rated amount based on the number of hours the employee is regularly scheduled to work, and the employee reimbursing the County through payroll deduction for the remainder.

Employees are obligated to pay any applicable premium share whether actively at work or on an approved leave. Failure to make the required premium share payment in a timely manner will result in loss of coverage. The County offers a High Deductible Health Plan and Health Savings Account (HSA). These plans often have lower premiums and higher maximum-out-of-pocket amounts than other health plans. Employees may end up paying more for the medical care they receive while saving on premium costs. When the County provides HSA funds, employees who elect the County's Health Insurance will receive a prorated amount of HSA funding, based on number of hours the employee is regularly scheduled to work, and based upon months of service in the respective year of that benefit.

Employees whose spouses are also employed by Grand Traverse County will not be double covered under the health program. They may each select their own coverage when more than one plan is offered if they wish, and dependents will be covered under the employee whose birthdate comes first in the year unless otherwise agreed to by both employees. The Employer reserves the right to combine or separate contracts of family members under the group insurance in order to reduce costs, where it does not reduce the benefits to which each employee is entitled.

Regular Employees who are eligible for the County's health plan, and who have other medical coverage not including the marketplace, shall have the option of receiving an annual payment in lieu of such coverage in the amount of two thousand dollars (\$2,000) on a pro-rated basis based upon FTE status and months of service, subject to carrier regulations and applicable law. This payment shall be made on the first pay date in December. Payment is pro-rated for individuals who leave employment or drop coverage mid-year. Employees may choose between the payment and coverage in the County's Plan during the annual open enrollment period. This selection cannot be rescinded unless the employee loses their other group coverage.

The benefits provided under the Grand Traverse County Health Program shall be primary and coordinate benefits with automobile insurance per Priority Healthcare Plan Documents.

## Coordination of Benefits

Coordination of Benefits (COB) is the system used to determine how benefits are paid when you are covered by more than one health plan. The primary plan is responsible for paying the full benefit amount allowed by the plan. The secondary plan is responsible for paying all or part of the benefit not covered by the primary plan as long as the benefit is covered by the secondary plan. The secondary plan adjust the amount of benefits paid so that the total benefits available to the Member for the particular service will not exceed the total Allowed Amount for that service. The total paid by both plans may provide payment up to, but not exceeding the Allowed Amount, which may result in Member liability even after the secondary plan's payment.

Benefits will coordinate with Automobile insurance required by law to be purchased and not provided under a group plan, but only to the extent that automobile insurance law requires coverage of medical benefits. Most automobile insurance in Michigan is written on a "coordinated" basis in which the health plan must assume primary responsibility for covered benefits. Some automobile insurance is written on a "full medical" basis, which assumes the automobile insurance carrier is the primary payer.

Non-Contract Employees who retire from County employment after January 1, 2000, and who are hired or transferred into the Non-Contract Hourly or Exempt groups prior to January 1, 2009, may elect to be covered under the County's early retirees' group coverage up to age 65, or Medicare eligible, by reimbursing the County for the applicable premium amount. This benefit is for the retiree only. Retirees may cover eligible spouses and dependents by reimbursing the County the full amount of the premium for those individuals. Retirees may opt in for this benefit anytime during their eligibility but only at the time of open enrollment. Effective January 1, 2016, the County will contribute up to one-hundred (\$100) dollars per month per retiree.

At age 65, eligible retirees and their spouses may remain under the County's Medicare group plan by reimbursing the County the full amount of the premium.

Covered spouses of retirees who are enrolled in the group health plan, and whose coverage under the County's Health Plan terminates due to death, shall be allowed to remain on the County's group health plan by continuing to reimburse the County for the full premium amount until their death, or until they become covered by another group health plan. This benefit is closed to new entrants as of December 31, 2014.

In accordance with the Affordable Care Act, Grand Traverse County has identified the following periods for the purposes of identifying a full-time employee:

- Measurement Period: January 1 – October 31
- Administrative Period: November 1 – December 31
- Stability Period: January 1 – December 31

Note: This policy may differ for those employees who are members of recognized unions, organizations, or associations. Any questions related to the content of this policy, or its interpretation, should be directed to Human Resources.