

Horizon BCBS of NJ - Eligibility Requirements

Policy A Small Employer can elect to have their employees become eligible for coverage on the date of employment or at the completion of a specified waiting period.

Definition of waiting period A waiting period, which is also known as a probationary period, gives new and rehired employees an opportunity to enroll following their completion of a specified time period of *continuous* full-time service.

Length of waiting period The length of the waiting period, which is expressed in monthly increments, is chosen by the Small Employer and can be up to six months.

Waiting period may vary by class The waiting period which may vary by class of employees is as follows:

- Employees in an eligible class on the effective date of the Small Employer's coverage, who have completed at least ____ months of continuous full-time service with the Small Employer by that date, are eligible for coverage from the effective date.
- Employees in an eligible class on the effective date, who have not completed at least ____ months of continuous full-time service with the Small Employer, are eligible for coverage from the day after they complete ____ months of continuous full-time service with the Small Employer.
- Employees who enter an eligible class after the effective date of the Small Employer's coverage are eligible for coverage from the day after the employee completes ____ months of continuous full-time service with the Small Employer.

New hire vs rehires An employer may choose to have a different waiting period for newly hired employees vs rehired employees as those are considered bona fide employment-based classifications.

(new)

Absence due to health status-related factor Any lapse in *continuous* full-time service due to an absence resulting from a health status-related factor will not require an employee to satisfy a new waiting period. However, the days of absence will *not* be counted toward satisfying the waiting period. For the definition of a “health status-related factor”, refer to Regulation 65, Nondiscriminatory Enrollment Practices.

Example

A Small Employer imposes a one-month waiting period. An employee was hired and worked full-time for two weeks. The employee was absent due to a health status-related factor for the entire third week.

Upon returning to work, the employee must complete two more weeks of continuous full-time service in order to satisfy the waiting period, because he/she did not receive credit for the week that he/she was absent due to a health status-related factor. The employee does not need to start the waiting period over again as though from day one.

Covered employees on temporary leave of absence A covered employee that is not on the payroll due to a temporary leave of absence:

- Does not have to re-satisfy any waiting period when he/she returns to work if he/she elected continuation coverage during the leave of absence.
- Must re-satisfy any waiting period when he/she returns to work if he/she did not elect continuation coverage during the leave of absence.

Rehired employees When a former employee is rehired, the waiting period is counted from the employee’s date of rehire.

Adding a If a waiting period requirement is not applied for employees on the effective date of the

waiting period group's coverage, the Small Employer may not add a waiting period until the group's next anniversary date. The waiting period will only apply to employees that are hired on or after the group's next anniversary date.

Changing the waiting period A Small Employer may change the waiting period for a class of employees effective upon the group's next anniversary date.

The change to the waiting period only applies to employees in that class who are hired on or after the effective date of the new waiting period. The change to the waiting period does not apply to existing employees who were hired prior to the effective date of the new waiting period. If a Small Employer adds a new health benefits plan with a different waiting period, the new waiting period only applies to employees hired on or after the effective date of the new health benefits plan.

Example

A Small Employer obtained coverage effective January 1, 2008 and chose a six-month waiting period for its employees. On September 1, 2008, the Small Employer requested to change the waiting period to three months but the change does not become effective until the group's next anniversary date, which is January 1, 2009.

- Employees hired *prior to* 1/1/09 must satisfy a six-month waiting period.
 - Employees hired *on or after* 1/1/09 must satisfy a three-month waiting period.
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Mandatory termination An employee's coverage under the Small Employer's health benefits plan will end on the first of the following dates:

- the date an employee ceases to be an actively at work full-time employee for any reason. Such reasons may include death, retirement, layoff, leave of absence, and the end of employment. Note: Persons who cease to be actively at work due to a health status related factor will not be mandatorily terminated, as long as they otherwise meet the definition of an eligible employee;
- the date an employee stops being an eligible employee;
- the date the Small Employer's health benefits plan ends, or is discontinued for a class of employees to which the employee belongs;

- the last day of the period for which required payments are made for the employee; or
 - for Horizon HMO, the date an employee moves his/her permanent residence outside the Horizon HMO service area.
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Voluntary termination Eligible employees who enroll in their Small Employer's health benefits plan may subsequently request that their coverage be canceled for a future date. Coverage will be terminated at the end of any period for which premiums are paid after we receive the written request from the employee's Small Employer's Group Administrator or other authorized person.

For retroactive terminations, if we do not receive written notification within two months from the requested termination date, the effective date of termination will be the later of:

- the requested date of termination; or
- the last incurred date of any paid claim.

Retroactive terminations will never go back more than two months prior to the date we receive the written request.

Additional reasons for termination for Horizon HMO Unless otherwise specified, we may provide 31 days written notice to the employee that he/she is no longer covered under the Small Employer's Horizon HMO plan due to:

- Misuse of identification card (immediate termination);
- Misconduct or abuse of the system, including but not limited to: theft, damage to a network provider's property, forgery of drug prescriptions, and consistent failure to keep scheduled appointments (immediate termination);
- We and/or network providers are unable to establish and maintain a satisfactory relationship with the employee, the employee fails to abide by our rules and regulations, or the employee acts in a manner which is verbally or physically abusive;
- Furnishing incorrect or incomplete information;
- Failure to pay any copayment or coinsurance or to make any reimbursement to us required under the contract; or

- Failure to assist us in coordinating benefits.

No benefits will be provided to the employee under the coverage after that date.

**Terminated
employee's
rights**

Terminated employees have the right to:

- continue certain group benefits for a limited time after their coverage would otherwise end. For details, refer to Regulation No. 320, Continuation Rights.
- receive a Certificate of Creditable Coverage after their existing coverage ends. For details, refer to Regulation 295, Issuance of Certificates of Creditable Coverage.