


<p>Office of Employee Benefits</p> <p>Administrative Manual</p> 	<p>DEPENDENT ELIGIBILITY AND ENROLLMENT</p>	<p>230</p>
	<p>INITIAL EFFECTIVE DATE: October 10, 2003</p>	
	<p>LATEST REVISION DATE: September 1, 2010</p>	
	<p>PURPOSE: To provide guidance in determining the eligibility requirements and enrollment options of Dependents for the Employee Group Insurance Program</p>	
	<p>SCOPE: Spouse and Dependent Children of active Employees and Retired Employees of The University of Texas System institutions</p>	
<p>STATUTORY AND ADMINISTRATIVE REFERENCES: Texas Insurance Code, Chapter 1601 Texas Family Code, Title 1, Chapter 2 Texas Government Code, Chapter 667</p>		

1.0 BACKGROUND

Eligible Dependents of Employees and Retired Employees of The University of Texas System (System) may participate in the Employee Group Insurance Program (Program). The Act is codified in the Texas Insurance Code, Chapter 1601.

This Policy describes eligibility requirements and Program coverage options for Dependents. For a detailed description of the Special Dependent Application process, see Policy 231 of this Administrative Manual. For a description of Program options for Employees, see Policy 210. For a description of Program options for Retired Employees, see Policy 220.

2.0 ELIGIBILITY FOR U.T. GROUP INSURANCE

A Dependent of an Employee or Retired Employee of a System institution is eligible to be enrolled in Program coverage as follows:

2.1 Spouse

State law limits Program benefits for a Dependent spouse to:

- (a) A person who is not the same sex of the Employee or Retired Employee and who:
 - (1) Has entered into a ceremonial marriage with the Employee/Retired Employee by obtaining a marriage license from a lawful

representative of the State of Texas, another state, or another recognized country; or

- (2) Has entered into a “common law” marriage with the Employee/Retired Employee that is recognized under Texas law.

Important: Texas law does not recognize a domestic partner of the same or opposite sex as a Spouse.

2.2 Children

The following individuals are eligible as Dependent children of a Subscriber:

- (a) An unmarried child under the age of 25 who:
 - (1) is the biological or adopted child of a Subscriber; or
 - (2) meets the definition of a Special Dependent as described in Policy 231 (Special Dependents) of this Administrative Manual.

2.3 Document Dependent Eligibility

It is the responsibility of institution Benefits Office staff to verify the eligibility of all newly eligible Dependents at the time of initial enrollment as the Dependent of a Newly Hired Employee or New Retired Employee, following a qualified Change in Status event during the plan year (e.g., birth, marriage, adoption), or during the Annual Enrollment Period.

The Benefits Office may seek clarification from OEB as necessary to ensure that a request for enrollment of an individual as a Dependent is supported by adequate documentation.

3.0 DEPENDENT BENEFITS

Important: Dependents of Employees and Retired Employees are not eligible for a specific coverage unless the Employee or Retired Employee is also enrolled in that coverage except in cases where this Policy clearly provides otherwise such as an Employee/Retired Employee on Active Military Service status or the coverage for other Surviving Dependent of a deceased Employee or Retired Employee. See Policies 320 (Active Military Duty) and 270 (Evidence of Insurability) of this Administrative Manual for more information.

A Subscriber may be eligible for a portion of the premium for Dependent health coverage elected by an Employee or Retired Employee. The Subscriber is responsible for payment of any portion of the Dependent health premium not paid through Premium Sharing. An Employee eligible for the Insurance Premium Redirection Plan can pay premium owed for the following Dependent coverage on a pre-tax basis (see Policy 140 (Funding) and Policy 210 (Employee Eligibility and Enrollment) for more information about Premium Sharing and the Premium Redirection Plan):

- (a) Medical
- (b) Dental
- (c) Vision
- (d) Voluntary Accidental Death and Dismemberment

Benefits-eligible Dependents of Subscribers may be enrolled in Program benefits as described in this section:

3.1 Basic Coverage Package

Dependent coverage is not included in the Basic Coverage Package for an Employee or Retired Employee.

3.2 Health Coverage

A Dependent may be enrolled in the same health coverage in which the Subscriber is enrolled. Evidence of Insurability (EOI) and other enrollment restrictions may apply following the Dependent's initial period of eligibility for enrollment (see Policy 270 for more information).

3.3 Voluntary Group Term Life Coverage

If the Employee has Voluntary GTL coverage equal to at least one times the Employee's annual salary, the Dependent may be covered under Voluntary GTL. The Spouse of an Employee may be enrolled for Voluntary GTL coverage of \$10,000 without EOI. EOI is always required for spousal coverage of \$25,000 or \$50,000. Eligible Dependent children of an Employee may be enrolled for Voluntary GTL, limited to \$10,000 for each dependent child, without EOI. The Employee is responsible for full payment of premiums for Voluntary GTL coverage.

Voluntary GTL coverage is not available for the Dependent children of a Retired Employee. A Retired Employee may enroll their spouse in Voluntary Group Term Life (GTL) insurance coverage of \$3,000. No EOI is required if the Retired Employee elects the Spouse Voluntary GTL within the first 31 days of retirement and all of the following apply:

- There was Employee Voluntary GTL coverage in effect on the last day of coverage as an Active Employee; and
- There was Spouse Voluntary GTL coverage in effect on the last day of coverage as an Active Employee; and
- There is no break in coverage between the last day of Active Employment coverage and the first day of Retirement coverage.

3.4 Voluntary Accidental Death and Dismemberment Coverage

The Spouse of an Employee may be enrolled for Voluntary AD&D coverage of 50% of the Employee's level of coverage. Eligible Dependent child(ren) of an Employee may be enrolled for AD&D, limited to \$10,000 for each Dependent child. The Employee is responsible for full payment of premiums for Voluntary AD&D coverage.

Voluntary AD&D coverage is not available for the Spouse and Dependent child(ren) of a Retired Employee. The Subscriber is responsible for full payment of premiums for such coverage.

3.5 Dental and Vision Coverage

A Dependent may be enrolled in the same dental plan in which the Subscriber is also enrolled. The Subscriber is responsible for full payment of premiums for such coverage.

3.6 Long Term Care Coverage

Certain family members and relatives of an Employee or Retired Employee (including a Spouse, child age 25 and over, parent, grandparent, parent-in-law, and grandparent-in-law) may apply to enroll in LTC Coverage. All such individuals must meet the LTC Carrier's EOI requirements and are responsible for full payment of premiums for LTC coverage.

3.7 UT FLEX Participation

Dependents are not eligible to enroll in the pre-tax Insurance Premium Redirection Program, Medical Expense Reimbursement Account and/or Day Care Reimbursement Account offered under the UT FLEX program.

However, an Employee enrolled in the Medical Expense Reimbursement Account may file a claim for reimbursement of qualified health care expenses incurred by any person that the Employee reports as a Dependent for federal income tax purposes.

An Employee enrolled in the Day Care Reimbursement Account may file a claim for reimbursement of qualified dependent day care expenses for children under age 13 who are claimed as a Dependent for income tax purposes by the Employee.

3.8 Other Coverage Not Available Short Term and Long Term Disability Coverage

A Dependent is not eligible for:

- Basic Group Term Life (GTL) insurance coverage
- Basic Accidental Death and Dismemberment (AD&D) coverage
- Short Term Disability (STD) or Long Term Disability (LTD) insurance coverage.

4.0 INITIAL PERIOD OF ELIGIBILITY

4.1 Dependents of Newly Benefits-Eligible Employees

A newly benefits-eligible Employee, including newly hired Employees, may enroll a Dependent in the coverages described in Section 3.0 of this policy during the Employee's initial 31 days of employment.

Regardless of whether an employing institution has a required waiting period for newly benefits-eligible Employees, the newly eligible Employee must make all Program coverage elections and add eligible Dependents within their first 31 days of employment.

Important: Monthly premiums are not pro-rated. A full month's premium will be due for the first month of coverage regardless of the date that the Dependent is added during the month.

The effective date for the beginning of Dependent coverage is as follows:

4.1.1 No Waiting Period for Employee

If there is no required waiting period for the newly benefits-eligible Employee's Basic Coverage Package (health, Basic GTL and Basic AD&D coverage) and the Employee completes the enrollment form by no later than the last day of the month of hire, the Employee may add eligible Dependents to the Employee's health plan coverage effective either:

- (a) the first day of the Employee's active employment as a benefits-eligible Employee; or
- (b) the first of the month following the first day of such employment.

However, if the newly benefits-eligible Employee completes the enrollment form within 31 days of employment but after the month of hire, the effective date of Dependent coverage will be either:

- (a) the first of the month following the first day of active employment,
or
- (b) the first of the month following completion of the enrollment form.

There is no required waiting period for optional coverages; however, the Employee's coverage must be in effect in order for the Dependent's coverage to be effective. The Employee may enroll eligible Dependents in the Employee's optional coverages effective the date the Employee enrolls in the coverage.

4.1.2 Waiting Period for Employee

If the Employee's employing institution has a required waiting period for newly hired Employees, the newly eligible Employee still must make all Program coverage elections within their first 31 days of employment. The effective date for the Basic Coverage Package will be the first of the month following the end of the waiting period. Therefore, the Dependent's health coverage will become effective the same day as the Employee's coverage.

There is no waiting period for optional coverages; however, the Employee's coverage must be in effect in order for the Dependent's coverage to be effective. The Employee may enroll Dependents in the Employee's optional coverages when the Employee becomes eligible to enroll.

See Policy 141 of this Administrative Manual for more information on employing institutions with eligibility waiting periods.

Important: Even if the employing institution has an eligibility waiting period, coverage elections for Dependents must be made within the 31 day period after the Employee's first day of Active Employment as a benefits-eligible Employee. Otherwise, the Dependent cannot be enrolled until the occurrence of a qualifying status change or the next Annual Enrollment period.

4.2 Dependents of Newly Retired Employees

An individual who qualifies for participation in the Program as a Retired Employee must enroll all eligible Dependents within 31 days after the Retired Employee meets all initial eligibility requirements.

An Eligible Dependent who is not enrolled during the Retired Employee's first 31 days of eligibility may not be enrolled until the next Annual Enrollment period or within 31 days of a qualifying status change.

4.2.1 No Break Between Employee and retired Employee Coverage

There is no waiting period for coverage participation for the eligible Dependents of an Employee who retires and enrolls in Program coverage as a Retired Employee within 31 days from the date of termination of employment from a System institution without a break between coverage as an Employee and coverage as a Retired Employee. The newly Retired Employee may continue the coverage for any Dependents previously covered on the last date of coverage as an active Employee.

A change from active employment to retirement is a qualified Change in Status event (see Policy 310 of this Administrative Manual). A newly Retired Employee is eligible to add (or remove) a Dependent as the result of the status change. If the newly Retired Employee continues UT SELECT coverage and the Dependent was previously eligible but did not enroll at the time of initial eligibility, EOI will be required to add the Dependent, unless there is proof of other group coverage. See Policy 270 of this Administrative Manual for the effective date of new Dependent coverage if EOI is required.

If the Retired Employee completes the enrollment form within the month of retirement, the coverage of the newly added Dependent's coverage may take effect on either:

- (a) the date of retirement; or
- (b) the first of the month following the date of retirement.

If the newly Retired Employee completes the enrollment form within 31 days of the retirement date but not within the month of retirement, the Retired Employee may elect Program coverages and add Dependent coverage effective either:

- (a) the first of the month following the date of retirement, or
- (b) the date the enrollment form is signed.

4.2.2 Break Between Employee and Retired Employee Coverage

An individual who enrolls in Program coverage as Retired Employee within 31 days of the date the individual first becomes eligible for retirement may also enroll eligible Dependents without EOI.

If the Employee's application for retirement is more than 31 days after the initial date of eligibility for retirement, EOI will be required to enroll a Dependent.

A Retired Employee's coverage must be in effect in order for the Dependent's coverage to be effective. If the Retired Employee has a required waiting period, the Dependent's coverage cannot become effective until the Retired Employee's coverage becomes effective. See Section 5.3 of Policy 220, Retired Employee Eligibility and Enrollment, for more information about the effective date of coverage for Retired Employees.

4.3 Newly Eligible Dependents

When a qualified Change in Status event occurs which results in a newly benefits-eligible Dependent (e.g., marriage, birth, adoption, entry of a medical support order), the Subscriber may add the new Dependent to specific Program coverages within 31 days of

the event. See Section 3.0 of this policy for the eligible coverages. See Policy 310 of this Administrative Manual for more information about Change in Status events.

There is no required waiting period for individuals who are enrolled in coverage as the Dependent of Subscriber due to a qualifying Change in Status event. The effective date of the new Dependent coverage will be the date of the qualifying event unless the Subscriber requests in writing for the effective date to be the first of the month following the date of the qualifying event date.

4.3.1 Newborn

A newborn biological child or an eligible newborn grandchild of a Subscriber is automatically covered for benefits under the Subscriber's health insurance coverage for the first 31 days following the newborn's birth.

In order to enroll such a newborn in permanent coverage beyond the first 31 days of birth, the Employee or Retired Employee must submit a completed enrollment form to their institution Benefits Office within 31 days following the date of birth. The effective date may be either:

- (a) the date of birth; or
- (b) the first of the month following the date of birth.

Important: If a Subscriber fails to enroll a newborn in permanent coverage within the 31 day period, coverage for the newborn will lapse and the newborn cannot be enrolled until the next annual enrollment period or upon the occurrence of a qualified change in status, even if the Subscriber already has enrolled other Dependent children in the Program.

4.3.2 Grandchild

Detailed eligibility and enrollment requirements concerning an Employee's grandchild are located in Policy 231 of this Policy.

5.0 CHANGE IN COVERAGE AFTER INITIAL PERIOD OF ELIGIBILITY

A Retired Employee who fails to enroll an eligible Dependent during the Retired Employee's initial period of eligibility cannot enroll the Dependent in Program coverages until:

- (a) the next annual enrollment period; or
- (b) a qualifying status change occurs.

5.1 Annual Enrollment

An Employee or Retired Employee may enroll a Spouse and Dependent child(ren) in Program coverages during the Annual Enrollment period. However, if the Dependent is not newly eligible, EOI will be required for enrollment in the UT SELECT health plan unless the Employee or Retired Employee provides proof of other group health coverage for the Dependent. EOI is always required to enroll:

- (a) a Spouse in Voluntary GTL coverage (\$25,000 or \$50,000 for the Employee's spouse and \$3,000 for the Retired Employee's spouse); and
- (b) any Dependent in Long Term Care coverage.

The effective date of the coverage is the first day of the Plan Year, September 1..

See Policy 270 of this Administrative Manual for more information about Evidence of Insurability.

5.2 Qualifying Change in Status

If a qualified Change in Status event occurs and the Dependent is newly eligible, the Employee or Retired Employee may enroll a Dependent in Program coverages without EOI. However, if the Dependent is not newly eligible, EOI may be required for enrollment in the following coverages:

- (a) UT SELECT health plan (EOI is waived for the Dependent if proof is provided of other group health coverage in effect within 63 days prior to the beginning date of Program enrollment);
- (b) Voluntary GTL for an Employee's Spouse coverage of \$25,000 or \$50,000 (EOI is always required for these coverage amounts);
- (c) Voluntary GTL for a Retired Employee's Spouse coverage of \$3,000 (EOI may be required. See Section 3.3 of this Policy for more information); and
- (d) Long Term Care (LTC) (EOI is always required to enroll Dependents in LTC coverage). **Note:** Only certain dependents qualify for LTC coverage. U.T. institutions should review the LTC policy for summary of what dependents meet eligibility requirements.

The effective date of Dependent coverage following a qualified Change in Status event is:

- (a) the date of the event; or
- (b) the first of the month following the event date.

6.0 SPECIAL DEPENDENT APPLICATION

A Special Dependent Application form must be completed by a Subscriber for each Dependent, other than a Spouse, a biological child or a child adopted prior to the date that the Subscriber first became eligible for benefits.

For detailed information about the Special Dependent Application process, see Policy 231 of this Administrative Manual.

7.0 DUAL STATE PREMIUM SHARING AND DUPLICATE PROGRAM COVERAGE PROHIBITED

See Policy 210 (Employee Eligibility and Enrollment) and Policy 220 (Retired Employee Eligibility and Enrollment) for information on prohibitions for dual state Premium Sharing and duplicate Program coverage.

8.0 TERMINATION OF DEPENDENT COVERAGE

A Dependent's coverage in the Program shall end when the Subscriber or the Dependent loses eligibility to participate in the Program. The following are examples of such events:

- (a) An Employee upon whom a Dependent's eligibility is conditioned terminates employment.

- (b) The required portion of the Dependent's premium is not paid.
- (c) The Employee or Retired Employee upon whom the Dependent's eligibility is conditioned dies, unless the Dependent qualifies for Surviving Dependent benefits. See Policy 240 of this Administrative Manual for more information.
- (d) Dissolution of the marriage between an Employee or Retired Employee and a Dependent Spouse.
- (e) A Dependent child marries or reaches the age of 25.
- (f) A legal relationship upon which the Dependent's eligibility is conditioned expires or is rescinded.
- (g) Death of a Dependent.

The effective date of the termination of coverage is the end of the month in which the event occurred. For nonpayment of premiums, the effective date of termination of coverage is the end of the last month for which premium was paid.

A Dependent who loses eligibility for a reason other than non-payment of premium may be able to continue certain coverages in the Program as a COBRA participant (see Policy 250 of this Administrative Manual) or pursuant to other applicable OEB policies.

A Dependent who voluntarily terminates Voluntary GTL coverage is eligible to exercise any available conversion provisions. To exercise this provision, the Dependent must obtain the required form(s) from the institution Benefits Office and forward to the appropriate insurance Carrier within 31 days of the end of the month in which termination of coverage occurred. The Dependent should contact the Carrier for specific information regarding their conversion options.

9.0 DEPENDENT AMNESTY PERIOD AND AUDIT PROCESS

On a periodic basis, the U.T. System Office of Employee Benefits (OEB) shall select an institution Benefits Office to audit their processes to ensure the Benefits Office has adequate procedures in place to effectively validate Dependent eligibility prior to enrollment in the UGIP.

OEB will produce a random sample of the institution's enrollment population with Dependent coverage and submit this list to the institution Benefits Office for audit. The institution Benefits Office will review each Dependent's record to verify eligibility. Verification may include, but is not limited to, marriage certificates, birth certificates, court-ordered support and guardianship documents, and income tax returns.

At the conclusion of the audit, the Benefits Office will provide OEB a report of their processes and findings. During the audit process if the Benefits Office requests documentation from a Subscriber, failure of the Subscriber to provide valid proof of relationship may result in the termination of all Program insurance coverage for the Subscriber's Dependent(s) effective the end of the month of the request for documentation.

If the audit results indicate possible intentional misrepresentation of Dependent eligibility by a Subscriber, the Benefits Office shall report to OEB the results of their investigation and any action taken to terminate the ineligible Dependent's coverage and if any sanctions are imposed, as described in Section 10 of this policy.

Important: All U.T. institution Benefits Offices must provide all Dependent documentation of an Employee or Retired Employee requested by OEB to ensure that all participants in UGIP coverage meet the eligibility requirements, as set forth in Chapter 1601 of the Texas Insurance Code.

10.0 MISREPRESENTATION

Misrepresentation by an Employee or Retired Employee of benefit eligibility requirements constitutes a violation of OEB's official policy. Possible sanctions for such a violation range from a reprimand to dismissal. A Subscriber who enrolls an ineligible Dependent in Program coverage may be responsible for reimbursement of prior premiums or claims incurred by the Dependents.

A verified misrepresentation by an Employee or Retired Employee shall be reported by OEB to the appropriate institution for investigation and possible sanctions. Deliberate misrepresentation of Dependent eligibility by a Subscriber may constitute criminal fraud and could result in a referral to a law enforcement office.