


<p>Office of Employee Benefits</p> <p>Administrative Manual</p> 	<p><b>SPECIAL DEPENDENT APPLICATION PROCESS</b></p>	<p><b>231</b></p>
	<p><b>EFFECTIVE DATE: OCTOBER 10, 2003</b></p>	
	<p><b>REVISION DATE: JUNE 2004; MARCH 2005; SEPT. 2005; SEPT. 2008: Nov. 2008</b></p>	
	<p><b>PURPOSE:</b> To provide guidance in completing and submitting the Special Dependent Application form and establish documentation required to support a Special Dependent Application</p>	
	<p><b>SCOPE:</b> Special Dependent children of Employees and Retired Employees of The University of Texas System institutions</p>	
	<p><b>STATUTORY AND ADMINISTRATIVE REFERENCES:</b> Texas Insurance Code, Chapter 1601</p>	

## 1.0 BACKGROUND

This Policy describes the documentation a Subscriber must submit to establish a Special Dependent relationship that qualifies an individual who is not the spouse, biological child, or previously adopted child of a Subscriber for Dependent coverage.

## 2.0 DEFINITION OF SPECIAL DEPENDENT

**2.1** The following Dependents of a Subscriber are considered to be Special Dependents who may be eligible for enrollment:

- (a) A newly adopted child under the age of 25;
- (b) A foster child in a parent-child relationship with the Subscriber;
- (c) A stepchild under the age of 25;
- (d) An individual for whom the Subscriber has been appointed by a United States court as a legal guardian;
- (e) A dependent grandchild under the age of 25;
- (f) An incapacitated child over the age of 25;
- (g) An individual for whom a Subscriber is required to provide health insurance through a medical support order; or

- (h) A child for whom a Subscriber has been named as the custodial parent in a valid gestational agreement.

2.2 The following Dependents are not considered to be Special Dependents:

- (a) A spouse; or
- (b) A biological or previously adopted child of a newly benefits eligible Subscriber.

However, OEB may, at its option, require a Subscriber to provide documentation that any Dependent enrolled or that the Subscriber has applied to enroll in coverage meets the legal definition of Dependent under the Act and this Administrative Manual.

### 3.0 DOCUMENTATION REQUIRED FOR ADDING SPECIAL DEPENDENTS

#### 3.1 General Requirements

- (a) Special Dependent eligibility is based on legally created relationships and duties. Therefore, a “Special Dependent Application” form that is not supported by sufficient proof of a valid dependency relationship cannot be approved. An application that is not based on a valid dependent relationship and supported by documentation that is acceptable to the U.T. System Office of Employee Benefits (OEB) will be denied.
- (b) A [Special Dependent Application](#) form must be completed by the employing institution’s Benefits Office for each Special Dependent being enrolled, except in the case of an Incapacitated Over-Age Child when the [Application for Coverage of Incapacitated Over Age Dependent](#) form must be completed.
- (c) Institutions may not approve a “Special Dependent Application” based on documentation that is not described in this Policy. Only the OEB may approve an application supported by alternate documentation.
- (d) The institution and/or the OEB may:
  - (i) periodically audit dependency applications and supporting documentation; and
  - (ii) require that a Subscriber provide documentation sufficient for verification of the continued existence of a Special Dependent relationship at any time during the plan year.
- (e) Failure to submit additional requested verification may result in disenrollment of the Special Dependent from coverage.

#### 3.2 Dependency Certification of a Grandchild

In order to add a grandchild as a Dependent, the Subscriber must:

- (a) complete the dependent statement on the “Special Dependent Application” form certifying that the child is the child of the Subscriber’s own child; and
- (b) establish that the child is the Subscriber’s Dependent for federal income tax purposes by providing a copy of the Subscriber’s most recent income tax return. An official school record that establishes dependency may be submitted in the absence of a tax return.

OEB requires copies of filed income tax returns or school records to establish Special Dependent eligibility. An institution must request this information at any time throughout the year if you believe the support relationship between the grandparent and grandchild no longer exists. Only OEB can approve the use of alternate documentation to support a “Special Dependent Application”.

### **3.3 Coverage for an Incapacitated Dependent Over the Age of Twenty-Five**

#### **3.3.1 Definitions for Purposes of the Policy**

- (a) “Incapacitated” means any such child, regardless of age, who lives with or whose care is provided by an Employee or Retired Employee on a regular basis if such child is mentally retarded or physically incapacitated to such an extent as to be dependent upon the Employee or Retired Employee for care or support, as determined by the Program.
- (b) “Mentally retarded or physically incapacitated” means any medically determinable physical or mental condition which prevents the child from engaging in self-sustaining employment, provided that the condition commences prior to such child’s attainment of age 25. An individual who is enrolled in a vocational training program or an institution of higher education in an undergraduate or graduate degree program is presumed to be capable of earning his/her own living. This presumption may be rebutted by objective medical and other documentation that establishes that the individual is not capable of employment.

#### **3.3.2 Enrollment Eligibility**

An incapacitated child may be enrolled if the Dependent was covered by the Program coverage as a Dependent of the Subscriber on the Dependent’s 25<sup>th</sup> birthday; OR

- (a) If the Subscriber is newly benefits eligible, was covered by the Subscriber’s previous health plan or a public insurance or medical assistance program with no break in coverage; and
- (b) Submits satisfactory proof the incapacitating condition and dependency within 31 days of initial eligibility for enrollment as an Incapacitated Over Age Dependent.

#### **3.3.3 Responsibility of Institution Benefits Office**

The institution Benefits Office will review the completed “Special Dependent Application” form and documentation received from the Subscriber and approve or deny eligibility based on the documentation requirements indicated in Section 3.0. The institution Benefits Office will review and sign the completed “Application for Coverage of Incapacitated Over Age Dependent” form and verify that medical records are attached before forwarding to OEB for consideration. A physician’s letter of medical necessity does not constitute adequate medical records.

## 4.0 CHILDREN SUBJECT TO A MEDICAL SUPPORT ORDER (MSO)

A Subscriber who is the subject of a valid medical support order may add the child to Program coverage in compliance with applicable laws and regulations and U. T. eligibility and enrollment requirements, including Evidence of Insurability, as applicable.

### 4.1 Definition of MSO

A medical support order (MSO) is defined by the Texas Department of Insurance at 28 TAC21.2001 as a “a court or administrative judgment, decree or order whether temporary, final or subject to modification for the benefit of a child that provides for health coverage of the child.”

### 4.2 Family Status Change

Receipt of an MSO is considered a qualified Change in Status event. Therefore, a Subscriber may enroll the Dependent child named in the MSO to the Subscriber’s Program health plan.

### 4.3 Evidence of Insurability

EOI is never required to enroll an individual that a Subscriber has been ordered via an MSO to enroll in UT SELECT coverage.

### 4.4 Effective Date of Coverage

For a child who is the subject of a Medical Support Order (MSO) issued by the Texas Office of Attorney General or a U.S. court, enrollment in Program health coverage shall be automatic beginning the date of the MSO or the date the court order is received by the employing U.T. System institution, whichever is later.

If the institution Benefits Office receives a court order that is not from the Attorney General or directly from a U.S. court, you should consult with OEB regarding eligibility and effective date of coverage prior to taking any action.

~~Enrollment of a child who is the subject of a Medical Support Order (MSO) in the health coverage shall be automatic for the first 31 days from the date of receipt of a MSO or notice of a MSO by the employing institution.~~

~~Permanent coverage: If the Subscriber, the child’s custodial parent or an agency with authority to enforce a child support order completes enrollment within 31 days of receipt of the MSO, the effective date of permanent coverage will be the first date after expiration of the automatic coverage period.~~

### 4.5 Subscriber Refuses to Complete Enrollment Form

If a Subscriber refuses to enroll the Dependent child named in the MSO, the employing institution shall notify the ordering authority by first class mail, with a copy to the Subscriber, that the child has been added to Program coverage and premiums will be deducted from an Employee’s monthly pay. If the Subscriber is a Retired Employee, the premium would be added to their regular billing statement or EFT. ~~coverage shall terminate on the last day of the automatic enrollment period, and the employing institution shall notify by first class mail the sender of the order or notice of the reason the coverage cannot be made permanent.~~

## 5.0 PROCEDURE TO ADD SPECIAL DEPENDENT CHILD

- (a) The U. T. institution Benefits Office should ensure that the “Special Dependent Application” form is accurately completed in its entirety and accompanied by all required documentation. See Section 6.0 of this policy.
- (b) If the Special Dependent relationship is created by a court order, the Subscriber must submit the entire signed order. Portions of an order and unsigned orders will not be accepted as documentation to support a “Special Dependent Application”.
- (c) If the Special Dependent is found to be eligible, the Institution Benefits Office should enter the Special Dependent’s enrollment on the SGELIG system.

***Important:*** A U.T. institution may not enroll any Special Dependent until the application has been finally approved.

- (d) A U.T. Institution Benefits Office requiring assistance in interpreting the validity or adequacy of documentation submitted in support of a “Special Dependent Application” should contact the Group Insurance Program Coordinator at the Office of Employee Benefits (OEB), U.T. System Administration at (512) 499-4616.
- (e) Approval of a “Special Dependent Application” that is not supported by valid documentation of a legal relationship will be considered void. A Subscriber may be responsible for repayment of all claims paid pursuant to a “Special Dependent Application” that is subsequently voided.

***Important:*** OEB has the authority to audit any Subscriber’s group insurance program records and/or to request an institution Benefits Office to provide OEB a copy of the “Special Dependent Application” and documentation received, as determined by U. T. System Administration.

## 6.0 DOCUMENTATION

Appropriate legal documentation must accompany the completed “Special Dependent Application” form. In order for the institution Benefits Office to approve and process the Subscriber’s “Special Dependent Application”, the Subscriber must provide the documentation listed in the following chart to the institution Benefits Office along with a fully completed “Special Dependent Application” form. Acceptance of any documentation other than the documentation described in the following chart must be approved by OEB before a “Special Dependent Application” can be processed.

## Required Documentation With Special Dependent Application

Type of Dependent	Required Documents
Stepchild	<p><u>All</u> of the following documents:</p> <ul style="list-style-type: none"> <li>• Birth Certificate of Child;</li> <li>• Marriage License of Subscriber &amp; Biological Parent/Spouse; and</li> <li>• Most recent tax return indicating Stepchild is the financial dependent of Subscriber or Spouse</li> </ul>
Grandchild	<p><u>All</u> of the following documents:</p> <ul style="list-style-type: none"> <li>• Birth Certificate of Grandchild proving relationship to Subscriber;</li> <li>• Birth Certificate of Biological Parent;</li> <li>• Certification of a Grandchild Affidavit; and</li> <li>• Most recent tax return or school enrollment records indicating child is the financial dependent of Subscriber</li> </ul>
Adopted Child	<p><u>One</u> of the following documents:</p> <ul style="list-style-type: none"> <li>• Valid Court Order of Adoption; or</li> <li>• Valid Pre-Adoption Placement Order issued by a Licensed Child Placement Agency; or</li> <li>• Valid Court Order naming Subscriber as Managing Conservator of the Child</li> </ul>
Guardianship*	<p>The following document:</p> <ul style="list-style-type: none"> <li>• Valid Court Order naming Subscriber as the Child's Guardian**</li> </ul>
Conservatorship*	<p>The following document:</p> <ul style="list-style-type: none"> <li>• Valid Court Order naming Subscriber as the Child's Conservator</li> </ul>
Foster Child	<p>The following document:</p> <ul style="list-style-type: none"> <li>• Valid Court Order establishing a parent-child relationship between Subscriber and Foster Child</li> </ul>
Incapacitated Over Age Dependent	<p>The following documents:</p> <ul style="list-style-type: none"> <li>• Application For Coverage of Incapacitated Over Age Dependent Form; and</li> <li>• Supporting Medical Records Less Than One Year Old</li> </ul>
Gestational Agreement	<p>The following document:</p> <ul style="list-style-type: none"> <li>• Valid Court Order giving Subscriber Legal Custody</li> </ul>

\* A Power of Attorney is not adequate legal documentation for establishing a Special Dependent relationship.

\*\* If the Subscriber is unable to provide this document but does have other documentation that may establish a Special Dependent relationship, only OEB can approve the alternate documentation. Approval may be obtained by contacting OEB at (512) 499-4616 or faxing the documentation to OEB at (512) 499-4620.

## **7.0 EFFECTIVE DATE OF COVERAGE**

**7.1** With the exception of coverage due to a Medical Support Order upon submission of a completed application and all required documentation, Special Dependent coverage will take effect on the later of:

- (a) the date of a Change in Status event, if applicable;
- (b) the date the initial application was made; or
- (c) the date EOI was approved (if required).

**7.2** For newborn grandchildren, the Subscriber may elect a coverage effective date of either the date of birth or the first of the following month.

**7.3** For newly adopted children, the effective date of coverage is the date that the child is considered to have been placed with the adoptive parent under the Texas Family Code. In most instances, this will be the date reflected in a Pre-adoption Placement Order issued by a Licensed Child Placement Agency or a valid court order.

**7.4** If the proper documentation cannot be obtained within 31 days of the original application, OEB may at its option request completion of a new “Special Dependent Application” form. In such cases, coverage will take effect the later of:

- (a) the date the second “Special Dependent Application” was made; or
- (b) the date EOI was approved (if required); or
- (c) the date of the Change in Status event; or
- (d) the date of birth or the first of the following month (applicable to newborns only).

In the case of a Subscriber obtaining legal custody of a newborn child through a valid court gestational agreement, the Subscriber may elect a coverage effective date of either the date the court order reflects that the Subscriber has a legal right to custody of the child, or the first of the following month.

## **8.0 MISREPRESENTATION**

A violation of this OEB policy, which includes misrepresentation by an Employee or Retired Employee of benefit eligibility requirements, is a violation of OEB’s official policy and Rules and Regulations of the U.T. System Board of Regents, Series 31013(1). Possible sanctions for such a violation range from a reprimand to dismissal. Subscribers who have intentionally enrolled or attempted to enroll ineligible Dependents may also be held liable for reimbursement of prior premiums or claims incurred by the Dependents and may be reported to state authorities for investigation of insurance fraud.

A verified misrepresentation by an Employee or Retired Employee will be reported by OEB to the appropriate U.T. institution for investigation and possible sanctions.