

# HEALTH INSURANCE POLICY:

Issued: Jan 1992

Revised Jan 2009.

Health Insurance is a fringe benefit granted by the City to full time employees, and others as noted below, to promote the good health and well being of those employees and their families. The continuation of health benefits is a matter of public policy and not an obligation or duty on the part of the City. Nothing herein shall be construed as a promise to offer or include health insurance benefits to persons who are residents of or incidental employees of the City. Health benefits regulated by employee contracts are as enumerated by those contracts, where such contracts are silent on issues and policies contained herein, health benefits will be administered in accordance with this Policy.

## II. CITY HEALTH INSURANCE PLAN

A. The city offers health insurance benefits through the WPPI Benefit Plan Trust, which is a pool of smaller utilities and communities which have combined their administration and stop loss coverages. The City currently offers to its employees and non Medicare enrolled retirees a high deductible health plan (HDHP) with a Health Savings Account (HSA) to assist with payment of the deductible. The deductible is \$1500 single \$3000 family. The City pays into the HSA 75% in 2008 60% in 2009, 60% in 2010 and 50% there after. Should an employee be ineligible for an HSA an HRA (Health Reimbursement Account) will be set up as allowed by law. Coverage is set forth in the plan document, which is distributed to all employees. Medicare eligible retirees are offered a Medicare carve out plan which has a Medicare D component for prescription coverage. Disputes over the payment of benefits shall be handled by the City Administrator or his/her designee, who shall intervene on behalf of the employees when benefits are paid contrary

to the language of the master contract. Beyond this remedy are appeal provisions within the Master Plan document which must be followed. The HRA and HSA documents are on the web site.

### III. EMPLOYEE ELIGIBILITY FOR HEALTH BENEFITS

The City offers health insurance to employees as follows:

A. Full time employees working at least 36 hours per week, 52 weeks per year shall be covered by the plan. The City will pay 96% of family and single premiums. Employees are responsible for deductibles and co-pays as specified in the Master Contracts.

B. Full time employees working less than 36 hours per week, but more than 30 hours per week, are eligible for inclusion in the City health insurance program. Those working more than 33 hours per week, 52 weeks per year, shall be responsible for half their monthly premium. Those working less than 33 hours per week but at least 30 hours per week shall be responsible for 100% of their premium. The Senior Citizen Director and the Museum Curator shall be eligible for inclusion in the health insurance program regardless of their actual working hours.

C. Seasonal and part time employees are eligible for health insurance as follows:

The projected number of hours such employees are expected to work (actual hours, if the employee has been employed at least one calendar year) are summed and averaged over a 52-week year. If the average is, at least, 36 hours per week they will be granted full health insurance benefits.

If the average is at least 33 hours per week they will be eligible to participate at the cost of half the premium. If the average is 30 hours per week they will be eligible to participate in the program, but they must pay 100% of the cost. Persons averaging less than 30 hours

per week shall have no health insurance benefits.

D. In the case of disputes over a person's eligibility for health insurance benefits or for a reduced premium cost the employee's most recent twelve months of employment history shall be the basis for determination. Employees not having twelve months of employment history shall have no right to contest a decision of their department head in estimating future hours. Employees shall have a right to dispute their eligibility for health benefits or reduced premium not more than once annually.

E. Employees eligible for benefits are

- 1) Employees of the City of New London, employees of the New London Water & Electric Utility, and employees of the New London Housing Authority.
- 2) Elected Officials are not eligible for health benefits.

#### IV. CONTINUATION OF HEALTH BENEFITS

A. In accordance with the Consolidated Omnibus Budget Reconciliation Act of 1986 [COBRA], as amended, employees are guaranteed eligibility for continued group health insurance benefits under circumstances described in the Initial Notice of Health Insurance and Employee Assistance Program COBRA Continuation Coverage Rights which is found on the web site. Eligible individuals are in all cases responsible for payment of the required premium. There are detailed notification requirements in this notice. Persons who experience a qualifying event must notify the City. The City will then respond and inform the affected persons in detail of their rights and the period of time in which they must respond. Failure to notify the City of a qualifying event may void the individual's right to continued group health insurance eligibility. Qualifying events are listed in the notice.

B. The City may allow employees, their spouses and their dependents to remain on the City's health plan at their own expense beyond the COBRA continuation period. Current practice is to allow continuing enrollment under the city plan if the employee retires

from city service and has worked for the City at least ten years.

## V. OTHER PROVISIONS

A. Persons eligible for the health insurance plan shall be enrolled as of the first of the month following the date of their hire.

B. An official statement of health insurance benefits is distributed to all employees receiving or eligible for Health Insurance benefits. This notice is called the Master plan document. Periodically other notices concerning Health benefits are distributed to employees as required by the Plan Document or other regulations. It is the intention of the City of New London to implement all new state and federally mandated health care benefits into this plan on the effective date of such mandate.

C. The City retains the right to change third party administrators (TPA) as needed to promote efficient Plan administration and competitive stop loss coverage.

D. This Policy Statement supersedes all previous statements of health insurance policy, and is supplemental to information in the Employee Handbook of February 2009.

