



The Public Employees Insurance Program Advantage Plans

*Employer Manual
for
PEIP Groups*

Updated March 2015

WELCOME TO THE PUBLIC EMPLOYEES INSURANCE PROGRAM!

The Public Employees Insurance Program (PEIP) was created by legislation (Minnesota Statutes 43A.316) to make a comprehensive package of medical, dental, and life insurance benefits available to employees of Minnesota's cities, townships, counties, school districts, and other units of local government. PEIP was designed to give public employees comprehensive coverage; while giving public employer's access to a high-quality benefits package to help attract and retain outstanding employees.

This Employer Manual outlines the roles and responsibilities of the employer, employees, and the administrative organizations under the Public Employees Insurance Program. Please review the Employer Manual to familiarize yourself with its contents, and use it as a reference in the future.

This manual is subject to change. We will make every effort to notify our participants of any program changes on a timely basis.

If you have any questions please contact Innovo Benefits, PEIP's administrator at (952) 746-3101 or (800) 829-5601.

The Plan Documents, Clinic Directory, Navitus Formulary, Summaries of Benefits and Coverage (SBC's), forms, and other plan information can be found on our website at:

www.innovomn.com

or

http://www.innovomn.com/plan_information.html.

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Employee Enrollment Form
Employee Change Form
Employee Termination/COBRA Form
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Current forms can be accessed online at www.innovomn.com/plan_information.html

Section 1 - CUSTOMER SERVICE DIRECTORY

IF YOU HAVE QUESTIONS ON:

*Program Participation
Enrollment/Change Forms
Provider Directories
Benefit Plans
Annual Enrollment
Renewal*

*Billing and Payments
Eligibility
COBRA/Minnesota Continuation*

CALL:

Innovo Benefits
7805 Telegraph Road, Suite 110
Bloomington, MN 55438
(952) 746-3101 or (800) 829-5601
Fax: (952) 746-3108

www.innovomn.com

IF YOU HAVE QUESTIONS ON:

*Claim Information
Benefit Clarifications
Primary Care Clinic Questions/Changes*

CALL:

HealthPartners
(952) 883-5000 or (800) 883-2177

Blue Cross Blue Shield of MN
(651) 662-9930 or (800) 262-0819

PreferredOne
(763) 847-4477 or (800) 997-1750

Navitus Health Solutions (Rx)
(866) 333-2757

Delta Dental
(651) 406-5916 or (800) 553-9536

IF YOU HAVE IDEAS FOR IMPROVING THE PROGRAM OR ANY OTHER ISSUES

CALL:

Scott Anderson, Public Employees Insurance Program
(651) 259-3747

Section 2 - PROGRAM ELIGIBILITY

Two Year Commitment

One of the features that ensures rate stability and affordability in the Program is a two-year membership requirement for participating employers. After your initial rates, renewal rates are guaranteed for 12 months at a time.

Medical Coverage

- 75% of a group's insurance eligible employees must participate. Those individuals who do not participate due to being covered under another group medical plan or have individual coverage that meet the minimum value requirements of the ACA, will not be included when calculating the 75% participation requirement.
- The Public Employees Insurance Program is structured in a way that promotes price competition among the clinic systems available through PEIP.
- There are no pre-existing condition exclusions for new hires under the plan.

Life Coverage (Optional)

Life insurance can be offered in one of two ways (selected by the employer):

1. **All** eligible employees must enroll in life coverage. No employee may waive the life coverage.
2. Life coverage is **locked** to the medical coverage. Only those electing medical insurance may elect life insurance.

At the time of your group's enrollment, basic life/AD&D coverage is available on a guaranteed issue basis. The employer may select a coverage level ranging from at least \$10,000 to a maximum of \$50,000 per employee, subject to certain restrictions.

If the participant becomes totally and permanently disabled prior to age 60, the basic group life coverage continues in force to age 65. However, to retain this coverage, the participant must submit proof of continued disability. The Notice of Disability Form and Attending Physician's Statement (Disability) is used for this purpose and is available by contacting Minnesota Life or Innovo Benefits.

Section 2- PROGRAM ELIGIBILITY
CONTINUED

Groups with initial effective dates before 4/1/2015. All employees in a group are issued the same amount of basic life insurance or multiple of salary, up to the maximum of \$50,000. The size of your group determines the guaranteed issue amount (basic only, or basic plus supplemental life) that an employee can select without having to go through underwriting. The following are for the guaranteed issue amounts for different size groups:

<u>Number of Employees</u>	<u>Guaranteed Issue Amount</u>
1 - 5	\$10,000
6 - 9	\$15,000
10 - 24	\$25,000
25+	\$50,000

Groups joining PEIP with initial effective date of 4/1/2015 or later – Guarantee Issue Amount is \$50,000.

Supplemental Life Insurance – Employees may purchase additional life insurance in \$5,000 increments up to a maximum amount of \$300,000. Insurance is subject to underwriting requirements for amounts over your group’s guaranteed issue amount.

Dependent Life Insurance – For participants that elect this coverage, \$5,000 of protection is provided on the life of the spouse. Children, from birth to age 26, will receive \$2,500 in coverage.

Dental Coverage (Optional)

- There are two different rate tiers for dental coverage based on the level of employer contribution. If the employer contributes between 90% and 100% of the cost of employee coverage, the lower rate tier will apply. If the employer contributes less than 90% of the cost of employee coverage, the higher rate tier will apply. See your current proposal or renewal letter for rates.
- At initial enrollment, employees can choose either single or family dental coverage. PEIP will allow employees who have waived medical coverage due to having coverage elsewhere to enroll themselves or their dependents in dental coverage.
This is a one-time election. There is no open enrollment.
- Retiree eligibility is the same as the active employee dental coverage.

Section 2 - PROGRAM ELIGIBILITY
CONTINUED

Your Eligibility Requirements

Your group has chosen the following eligibility criteria:

(Please add your group eligibility requirements in this section)

Section 2 - PROGRAM ELIGIBILITY – EMPLOYER

This section discusses the Public Employees Insurance Program's procedures and guidelines for determining coverage eligibility for employers.

Employer Eligibility *(Please see Minnesota Statutes 43A.316)*

The following public employers are eligible to participate in the Public Employees Insurance Program.

Cities	Counties
School Districts	Townships
Housing Authorities	Watershed Districts

Ineligible Employers

PEIP coverage may not be offered when:

- a. There is no direct employer-employee relationship.
- b. When a group consists of individuals paid token wages and/or are reimbursed for expenses or provide volunteer services.
- c. The group is in bankruptcy or pending bankruptcy.
- d. The group is currently in litigation with a health plan.
- e. The group fails to meet the PEIP eligibility criteria.

Employer Effective Date

A new PEIP group's effective date will be the first of the month, provided the group application and all required documents and forms are received before the 20th of the month prior to the coverage month. If all required documents are received after the 20th of the month, the effective date will be the first of the following month.

If there are discrepancies between the employer and employee applications and any data used to rate the group, PEIP reserves the right to re-rate the PEIP quote or rescind the offer.

Retroactive employer group effective dates will not be allowed by PEIP.

Section 2 - PROGRAM ELIGIBILITY - EMPLOYER
CONTINUED

Employer Renewal and Terminations

M. S. 43A.316, Subd. 5. (d) Participation in the program is for a two-year term. **Participation is automatically renewed for an additional two-year term unless the exclusive representative, or the employer for unrepresented employees, gives the commissioner notice of withdrawal at least 30 days before expiration of the participation period.** A group that withdraws must wait two years before rejoining.

Group's Termination Initiated by the Group

When a PEIP group requests termination because of replacement with another health plan, insurance carrier, or HMO, or any other circumstance where the group will continue to exist and coverage under a group health insurance plan will continue to be available to employees, the group will be terminated effective the first of the month following Innovo Benefits' receipt of a 31 day written notice, providing the termination is at the end of the current two year participation requirement. The group is liable for all premiums up to the date of termination.

Termination Initiated by PEIP

Groups that provide PEIP with fraudulent information or intentionally misrepresent information will be terminated or rescinded. PEIP reserves the right to rescind coverage retroactive to the original effective date of coverage, or to terminate the group upon 31 days written notice. PEIP also reserves the right to take any appropriate legal action against the group. PEIP reserves the right to terminate or not renew groups for any other reasonable cause permitted by state and federal regulation.

Failure to Continue to Satisfy Eligibility Requirements

If a PEIP employer no longer meets the definition of an eligible employer, the group will be subject to termination upon the next renewal date.

Section 2 - PROGRAM ELIGIBILITY - EMPLOYEES

This section discusses the Public Employees Insurance Program's procedures and guidelines for determining coverage eligibility for employees.

Employee Eligibility

Employees are eligible for group health coverage under the following conditions:

- a.** A current employee, actively at work, who is employed full-time or part-time and working the minimum number of hours per week on a regularly scheduled basis as required by the employer for health coverage.
- b.** An employee changing from part-time to full-time is eligible as of the date the minimum hours requirement is met.
- c.** Enrollment of a member after the member's initial eligibility date, or at a time other than the employer's subsequent anniversary/renewal dates, may be considered only if the member involuntarily lost eligibility for coverage under another employer's group health plan, or has a qualifying event occur, according to current federal regulations. See Special Enrollment Period – Section 7.

The above employee eligibility rules can be modified in certain situations. In these situations, the term "full-time employee" also includes:

- a.** A disabled employee who is actively working despite the disability (including one who is engaged in a trial work period).
- b.** An employee who is not actively at work due to work-related injuries and is receiving Workers' Compensation benefits.
- c.** All elected officials are eligible for coverage if they meet the following requirements:
 - Have a direct and active interest in the employer
 - Report to the employer regularly
 - Receive a regular salary from the employer
- d.** Employees on leave of absence for any reason.

Following is a list of other eligible individuals.

- a.** Former covered employees and/or dependents that are currently covered or qualify for continued coverage under any federal (COBRA) or state law.

Section 2 - PROGRAM ELIGIBILITY - EMPLOYEES
CONTINUED

- b.** Retirees under age 65 and their dependents.
- c.** Coverage after age 65 - Coverage is available under the PEIP program only until the first day of the month in which a covered person turns 65 years of age and is eligible to enroll in a Medicare supplement program. However, a PEIP participant who remains actively employed and continues to meet eligibility requirements after reaching age 65 (or his or her enrolled dependents) will have the option of continuing health care coverage under the PEIP active group program.

Ineligible Individuals

- a.** Any employee who is not actively at work on the effective date of coverage will not be eligible for benefits (including any dependents) until the date the employee returns to full-time work. However, employees (including dependents) who were covered under the employer's previous health plan will be provided benefits on a no-loss, no-gain basis.
- b.** An employee who works for the employer on an as-needed or seasonal basis, or who works fewer than the required number of hours on a regularly scheduled basis.
- c.** Former employees (except for those that have elected COBRA coverage).
- d.** A person who receives a fee, commission or retainer for periodic services (usually from multiple employers/businesses) such as legal, financial or consulting services, cannot be enrolled in the PEIP program. Also, if the employer hires a person such as an independent contractor for a specific task, that person is not considered a permanent employee and is not eligible to enroll in the employer's plan. If the person receives commission as a form of wages even as a permanent employee, the employer cannot determine eligibility based on periodic attainment of a specific amount of earned commissions.
- e.** Board members who do not work for, and receive wages from the employer as a permanent full-time or part-time employee.
- f.** Friends and/or relatives who are not working for the employer on a permanent, regular basis.
- g.** Contractors, attorneys, consultants, and others who are paid for periodic services by the employer.
- h.** Temporary employees.

Section 2 - PROGRAM ELIGIBILITY - EMPLOYEES
CONTINUED

Ineligible Individuals – Continued

- i.** Employees who have not completed the employer's waiting period.
- j.** An employee who was erroneously or fraudulently enrolled. Coverage for such employees and their dependents will be terminated or rescinded. PEIP reserves the right to take legal action against any member or employer in cases of fraud or misrepresentation.
- k.** Any individual that does not meet the established eligibility criteria.

Section 2 - PROGRAM ELIGIBILITY - DEPENDENTS

This section discusses the Public Employees Insurance Program's procedures and guidelines for determining coverage eligibility for dependents.

Eligible Dependents

- a. *Spouse*** - The spouse of an eligible employee (if legally married under Minnesota Law).
- b. *Dependent Children*** from birth to age 26. A dependent child includes an employee's
 - 1) Biological child;
 - 2) Legally adopted child or child placed for the purpose of adoption; (Date of placement means the assumption and retention by a person of a legal obligation for total or partial support of a child in anticipation of adoption of the child. The child's placement with a person terminates upon the termination of the legal obligation of total or partial support.)
 - 3) Step-child; (to be a step-child, the employee must be legally married to the child's legal parent);
 - 4) Foster child; (to be considered a dependent child, a foster child must be placed with the employee or employee's spouse by an authorized placement agency, by judgment, decree or other court order, and the employee or employee's spouse must have full and permanent legal and physical custody of the child.)
- c.** An employee's unmarried dependent grandchild to age 25 is also an eligible dependent if the grandchild:
 - 1) Is financially dependent upon the employee for principal support and maintenance and has resided with the employee continuously from birth; or
 - 2) Resides with the employee and is dependent upon the employee for principal support and maintenance, and the employee's unmarried child (the parent) is less than age nineteen (19) years of age.If a grandchild is legally adopted or placed in the legal custody (is a foster child) of the grandparent, they are covered as a dependent child under those terms.
- d.** An employee's dependent child of any age or marital status, if she/he is incapable of self-sustaining employment by reason of developmental disability or mental illness or disorder, or physical disability and is chiefly dependent upon the employee for principal support and maintenance. If the dependent is 26 years of age or older at the time of the employee's enrollment or initial employment, then the employee must provide the Claims Administrator with proof that the dependent meets these requirements within 31 days of the initial date of employment or enrollment. Disability status will be confirmed by the Claims Administrator at reasonable intervals.

Section 2 - PROGRAM ELIGIBILITY - DEPENDENTS
CONTINUED

- e.** A child of the employee who is required to be covered by reason of a Qualified Medical Child Support Order.
- f.** Other: Any person who is required by federal or state law to be a covered dependent.

Enrollment of a dependent after the dependent's initial eligibility date or at a time other than the employer's subsequent anniversary/renewal dates may be considered only if the dependent involuntarily lost eligibility for coverage under another employer's group health plan or has a qualifying event for Special Enrollment, according to current federal regulations.

PEIP reserves the right to request any reasonable documentation from employers, employees, or dependents in order to verify eligibility.

Section 3 - EMPLOYEES WISHING TO WAIVE COVERAGE

Form to Use – Waiving Coverage

Employees and dependents who have the opportunity to enroll for benefits offered by you may decide to decline part or all of the benefits. All employees **must** sign the waiver of coverage section of the Employee Enrollment Form whenever an employee elects not to enroll in benefits.

Employers should keep a copy of the waiver form as proof of employee coverage election at time of eligibility.

Form to Use – Canceling Coverage

All employees wishing to **cancel** coverage must complete an Employee Change Form.

Where to Send Forms

The completed Enrollment or Change Form should be sent:

- By Mail –
Innovo Benefits
Attn: PEIP
7805 Telegraph Road, Suite 110
Bloomington, MN 55438
- By Secure Fax – 952-746-3108
- By Secure Email – Ask your Innovo representative to provide details

Section 4 - EFFECTIVE DATES OF COVERAGE

Initial Eligibility - Employees

- a.** When an employer group enrolls, current employees and their dependents will become effective as of the employer's effective date.
- b.** New hires and their dependents will be eligible following completion of the "waiting period" (if applicable). The standard waiting period allows new hires to be eligible to enroll for coverage the first of the month following 30 days of continuous employment, unless a different period of time is mutually agreed upon by the PEIP program and the employer. New hires and their dependents who apply for coverage more than 30 days from the date first eligible must have a qualifying event occur to enroll, per current federal and state regulations.

Eligibility Dates for Newly Eligible Dependents

- a.** ***New Spouse*** - A new spouse is eligible for coverage as of the date of marriage. The effective date of coverage will be the date of marriage, providing notice to Innovo Benefits is made within 30 days of the marriage.
- b.** ***Newborns*** - Newborns are eligible for coverage for the first 30 days following birth. A change form should be submitted to Innovo Benefits within 30 days following birth in order for coverage to be continued without interruption.
- c.** ***Newly Adopted Children and Children Legally Placed for Adoption*** - Adopted children are eligible for coverage when they are legally placed for adoption. Notification to Innovo Benefits should be made within 30 days. Applicable legal placement papers must accompany the enrollment/change form.
- d.** ***New Stepchildren*** - Coverage will be effective as of the date of marriage. Notification to Innovo Benefits must be made within 30 days. Legal proof of the dependent relationship may be required.
- e.** ***Legal Guardianship*** - Children under legal guardianship are eligible for coverage on the date of the guardianship order providing Innovo Benefits is notified within 30 days of the start of the parent-child relationship. Applicable legal placement papers must accompany the appropriate enrollment/change form.

SECTION 4 - EFFECTIVE DATES OF COVERAGE
CONTINUED

Premium Payment for New Employees & New Dependents

For new employees and new dependents, if the benefit effective date is other than the first of the month, the following payment rules will apply:

- If the new employee's benefit effective date is on or before the 15th of the month, the employer/employee shall pay for coverage for that entire month. If the benefit effective date is after the 15th of the month, the employer/employee does not pay for that partial month of coverage – although the effective dates are in force.
- For new dependents, if the event occurs on or before the 15th of the month, the employer/employee shall pay for dependent coverage for that entire month. If the event occurs after the 15th of the month, the employer/employee does not pay for that partial month of dependent coverage – although effective dates are in force.
- If the termination date for employee or dependent coverage is anytime during the month, the full monthly premium will be charged.

Form to Use

All new enrollments must fill out the Employee Enrollment Form and sign within 30 days of eligibility. The form must be complete with all employee and dependent data, plan elections, and PCC choice for each participating family member, if applicable.

Once enrolled, all changes must be made within 30 days of the qualifying event using the Employee Change Form.

Where to Send Forms

The completed Enrollment or Change Form should be sent:

- By Mail –
Innovo Benefits
Attn: PEIP
7805 Telegraph Road, Suite 110
Bloomington, MN 55438
- By Secure Fax – 952-746-3108
- By Secure Email – Ask your Innovo representative to provide details

Section 5 - BILLING AND PREMIUM PAYMENTS

Initial Billing Packet and Instructions

New employer groups will be billed based on their initial enrollment. Innovo Benefits will provide you with a billing statement showing your first month's premium and all enrolled employees and dependents. You are responsible for paying the balance due. Any credit will be applied toward your next month's premium.

Monthly Invoices

After the initial billing, Innovo Benefits will send your premium billing statement by the **10th** of each month for the next month's insurance coverage. This invoice will list all the names, coverages, and premiums charged for each active employee, early retiree, COBRA participant (if applicable), and any covered dependents. All enrollment changes received after the **8th** of the month of coverage will be reflected on the next month's invoice.

Payment Due by the 25th of Each Month

Payment is due to PEIP by the **25th** of the month in which you receive the invoice as prepayment of the next month's coverage. Premiums are considered paid only when received by PEIP. A thirty (30) day grace period will be allowed.

Premium Payment Details

- For new hires or new dependents that have effective dates other than the first of the month - if the event occurs on or before the 15th of the month, the employer/employee shall pay for coverage for that entire month. If the event occurs after the 15th of the month, the employer/employee does not pay for that partial month's coverage, although the effective date remains in force. Premium will be due for the 1st of the following month which will be reflected on your next invoice.
- If the termination date for employee or dependent coverage is anytime during the month, the full monthly premium will be charged.

Billing Adjustments

Please pay exactly what is billed or document changes with the appropriate Enrollment/Change Form. The forms can be included with your payment or mailed separately. Please include the front page of your invoice with your payment. All enrollment changes received after the **8th** of the month will be reflected on the next month's invoice. In order to receive timely and proper payment credit, and to avoid any possible delays in employee claim payments, you must submit the full billed premium to PEIP by the **25th** of the month prior to the month of coverage (e.g. premium for February's coverage must be received by PEIP on or before January 25th).

Section 5 - BILLING AND PREMIUM PAYMENTS
CONTINUED

Refunds and Credits

PEIP may apply refunds and credits for the following reasons:

- Death of an employee or dependent
- Premium was prepaid beyond cancellation date
- Overpayment
- Duplicate coverage

Retroactive adjustments of up to **90** days may be requested only if there were no claims incurred or paid during the retroactive period being requested. ***Retroactive adjustments beyond 90 days will not be allowed.*** (Exceptions are made for those individuals eligible for continuation of coverage provided timely notification is given.)

Late Payments

If full payment is not received by PEIP on or before the due date, you risk losing your right to participate in the Public Employees Insurance Program.

Although we believe that employers will make every effort to submit timely premium payments, please be aware that the following actions may be taken if premium payments are overdue:

- Innovo Benefits will mail you a notice of delinquency stating that the current month's premium is overdue and that the following month's premium is also due.
- If payment is not made for all requested late premiums, PEIP may terminate your coverage retroactively to the last day of the month for which premiums were paid. We will send letters directly to all affected subscribers providing notification of termination of coverage.

The Public Employees Insurance Program reserves the right to charge you a service fee for non-sufficient fund (NSF) checks.

Section 6 – SPECIAL ENROLLMENT PERIOD

Special enrollment periods are when an eligible group member or dependent may enroll in the health plan under certain circumstances after they were first eligible for coverage. In order to enroll, the eligible group member or dependent must notify Innovo Benefits within 30 days of the triggering event, except as noted in the chart below. When gaining a dependent due to birth, adoption, or placement for adoption, there is no required notice period, however, you must pay all applicable premiums, which would have been owed had you notified us within 30 days. The eligible circumstances are:

Special Enrollment Triggering Event	Coverage Effective Date
<p>Loss of Minimum Essential Coverage (does not include loss due to failure to pay premiums or recession)</p> <ul style="list-style-type: none"> • Loss of eligibility for employer-sponsored coverage • Termination of employment or reduction in hours • Legal separation or divorce • Loss of dependent child status • Death of employee • Move outside Plan service area • Employer bankruptcy • Employee becomes entitled to Medicare <p>See your <i>Summary of Benefits</i> document for Minimum Essential Coverage plans.</p>	<p>First day of the month following the request for enrollment. Must notify the Plan Administrator within 30 days of the triggering event.</p>
<p>Gaining or becoming a dependent due to marriage.</p>	<p>On the date of marriage. If single coverage is in effect, an application for family coverage must be submitted within 30 days of the date of the marriage.</p>
<p>Gaining a dependent due to birth, adoption, placement for adoption or foster care.</p>	<p>Date of birth, adoption, placement for adoption or placement for foster care.</p>
<p>An individual gains or loses eligibility for Medicaid or MinnesotaCare.</p>	<p>Notice must be received within 60 days of the triggering event.</p> <p>If application is received between the 1st and 15th of the month, coverage will be effective the 1st of the following month.</p> <p>If application is received between the 15th and the last day of the month, coverage will be effective the 1st of the following second month.</p>

Section 6 – SPECIAL ENROLLMENT PERIOD
CONTINUED

Late Enrollment

Late enrollee and their dependents may enroll:

- A) During the Annual Open Enrollment Period; or
- B) During a Special Enrollment Period, as described in the chart on the previous page – See “Triggering Events.”

Dental

- There is no Special Enrollment or Late Enrollment for dental coverage;

Life Insurance

- A Minnesota Life Health History Form must be completed to apply for life insurance (including basic life) after the employee’s initial eligibility effective date. Both the employer and the employee will be notified of the acceptance or denial of all life coverages. Coverage is effective on the date of approval.

Forms to Use

- If an employee is eligible for a Special Enrollment, the employee must complete the Enrollment Form.
- If an employee is already a member of PEIP and their dependent is eligible for a Special Enrollment, the employee will complete the Change Form.

Where to Send Forms

The completed Enrollment or Change Form should be sent:

- By Mail –
Innovo Benefits
Attn: PEIP
7805 Telegraph Road, Suite 110
Bloomington, MN 55438
- By Secure Fax – 952-746-3108
- By Secure Email – Ask your Innovo representative to provide details
Section 7- RENEWAL/OPEN ENROLLMENT PERIOD

Approximately **100** days prior to your renewal date you will receive renewal information including rates, enrollment/change information, and updated plan designs and directory.

An Open Enrollment period will be held prior to your renewal for a minimum of ten working days. During this open enrollment, all eligible employees (and/or their dependents) must be given the option to transfer their coverage from one health plan or carrier to another. Should an employee wish to change his or her health plan or carrier, a new Enrollment Form must be completed and sent to Innovo Benefits at least **30** days prior to the renewal date.

Upon request, Innovo Benefits will assist with annual renewal meetings.

A notification of renewal rates will be sent by Innovo Benefits to the following individuals at their last known address on file:

- Minnesota Continuation/COBRA Participants
- Disabled Employees
- Early Retirees

These individuals will be sent an Employee Enrollment Form to make any necessary changes. They will, however, be instructed to contact the employer for all scheduled meeting dates and times.

Forms to Use

- During open enrollment, if no changes are elected, **no action is needed** and plan elections will continue to the next year.
- Any new enrollees must complete the Enrollment Form.
- Current participants must complete an Enrollment Form if they wish to make changes to plan level (Advantage, Value, HSA) or carrier choice (BCBS, HealthPartners, PreferredOne) and must indicate new PCC number, when appropriate.
- A Change Form can be used to add or terminate dependent coverage, if no other changes are made to plan level or carrier.
- A form is not needed to change PCC's, if this is the only change. The member must contact the carrier directly at the number on the back of their membership card to make this change. This can be done at any time during the year.

Section 8 - RETIREES

As a public employer, your employees may be eligible for one or more continuation programs after retirement. Participation in the various options available for continued coverage have different eligibility requirements described below.

Minnesota Statutes 471.61, Subd. 2b. 43A.27, Sec.3., Subd. 2b

Under Minn. Stat. 471.61, Subd. 2b, all employees of local units of government who have participated in the employer-sponsored medical and dental plans, and who meet the requirements necessary to receive a disability benefit or an annuity from a Minnesota public pension plan (other than a volunteer firefighter plan) may continue their health and dental coverage under that employer-sponsored plan until age 65. Coverage for early retirees and their dependents is identical to coverage provided for active employees and dependents.

This continuation must be elected within 30 days after an employee retires and is available for both the employee and his/her dependents, as long as that coverage was in effect prior to the date of retirement. If dependent coverage was not in place or if dependent coverage is discontinued, dependent coverage can never be added at any time after retirement. Should an early retiree reach age 65 before the covered spouse, the covered spouse may remain on the PEIP plan at a single premium until he/she also reaches age 65, as long as that spouse was continually covered under the PEIP program.

Continuing coverage under Minn. Stat. 471.61 replaces any other continuation program available. If the early retiree does not qualify for continuation under Minn. Stat. 471.61, Subd. 2b, he/she may have options to continue coverage under other applicable state and/or federal laws.

Life coverage may be continued for up to 18 months in accordance with Minnesota Continuation rules. The Program's life coverages are not available to public retirees or their dependents.

Retiree Premium Payments

Billing of premiums for retirees will be done directly by Innovo Benefits, **unless directed otherwise by the employer.**

Section 9 - MINNESOTA CONTINUATION/COBRA

Minnesota Continuation/COBRA provides insurance continuation options in certain circumstances, and for a certain period of time, for employees who have lost coverage through their employer. The employer will complete the Termination Form and note the date and reason for the qualifying event for Minnesota Continuation/COBRA.

Continuation of group coverage is available as follows:

- a.** Up to 18 months is available to employees when:
 - The employee becomes ineligible for the group policy due to a reduction in work hours;
 - The employee voluntarily quits employment; or
 - The employee is laid off or terminated for any reason other than gross misconduct.
- b.** Up to 36 months is available to dependents when:
 - A dependent child reaches the maximum age required on the policy; or
 - The employee becomes eligible for Medicare.
- c.** Coverage may be continued until the earlier of (a) the date the qualifying dependent becomes covered under another group health plan, or (b) the date coverage under the plan would otherwise end when:
 - The dependent is divorced or legally separated from the employee;
 - Upon the death of the employee;
 - Disability (employee only)

In the event of disability, an extension of continuation coverage may be available for an additional 11 months. The disability would have to have started at some time before the 60th day of losing coverage and must last at least until the end of the 18-month period of continuation coverage. Innovo Benefits must be notified of the Social Security Administration's determination within 60 days of the date of the determination and before the end of the 18-month period of continuation coverage. If the covered person is determined to be no longer disabled, the extended continuation of coverage can be terminated on the first of the month following 31 days after the final determination notice.

An extension of continuation coverage for an additional 18 months may be available if a **second qualifying event** occurs while covered under continuation benefits and proper notice is given. An extension is available to a spouse and dependent children if an employee or former employee dies, gets divorced or legally separated, or a dependent child is no longer eligible as a dependent.

The continuation coverage available must be equal to the benefits available to active employees. All qualified covered persons who are eligible for continuation of coverage must be provided with at least **60 days** to elect such coverage, and an additional **45 days** in which to make the first monthly premium payment.

Section 9 - MINNESOTA CONTINUATION/COBRA
CONTINUED

A covered person's eligibility for continuation of coverage ends earlier than specified above if:

- a. The covered person becomes covered under another group health plan as a result of employment, re-employment, or remarriage, except when this new plan contains any exclusion or limitation relating to any preexisting condition of such member;
- b. The premium for continuation of coverage is not paid on time;
- c. The covered person becomes entitled to Medicare benefits; or
- d. The employer group no longer provides group health coverage for any of its employees.

Administration of Continuation of Coverage

- a. The employee is responsible for notifying Innovo Benefits as soon as a qualifying event occurs via the **Termination Form**. Innovo Benefits will terminate the covered person's coverage on the last day of the month of the qualifying event. Premium is due from the employer for the month in which the qualifying event occurred.
- b. If Innovo does your groups COBRA administration, we will send notification of COBRA rights to the terminated employee. Upon timely notification from the employee that they have selected the continuation option, a separate group segment is established for COBRA enrollment. Continuous coverage is required. Reinstatement is conditioned on receipt of all outstanding premiums.
- c. COBRA billing will be administered in one of two ways.
 - 1. The COBRA participant will be billed directly by Innovo Benefits (the premium will include a 2% administrative fee).
 - 2. Innovo Benefits will bill the employer (the employer will then be responsible for collecting all COBRA premiums).

The employer must notify Innovo Benefits as to which option they have chosen.

If the employer chooses to be billed directly, they are responsible for the timely collection and submission of premium. The employer must also notify Innovo Benefits in a timely manner of an employee or dependent's discontinuance of the option. The employer is liable for the premium for employees or dependents it has not terminated.

If the employer chooses to have Innovo Benefits administer COBRA (*there is no additional cost for this service*), Innovo Benefits will take responsibility for all COBRA activities.

Notice of COBRA End Date

About six months prior to the Continuation end date, Innovo will send a notice to the COBRA participants advising them of termination of coverages and their options for other coverage.

Section 10 – PLAN INFORMATION

Plan Summaries and Summary of Benefits

PEIP Documents can be accessed online at www.innovomn.com/plan_information.html -- including the Summaries of Benefits and Coverage (SBC's), required by the Affordable Care Act

Section 11 – FORMS

Current forms can be accessed online at www.innovomn.com/plan_informaion.html.