

ELIGIBILITY, ENROLLMENT AND CHANGES

Who Is Eligible for Coverage

Full-time and part-time employees may be eligible to participate. Retirees and surviving dependents of retired employees may also be eligible for coverage as described later in this section.

You may choose your type of membership as follows:

Employee or retiree single – to cover yourself only

Employee or retiree plus one – to cover yourself and one eligible dependent

Family – to cover yourself and two or more eligible dependents

Participants who fail to remove ineligible persons within 60 days of the dependent's loss of eligibility may be removed from the program for a period of up to three years. In addition, the participant will be responsible for claims paid in error and will be unable to reduce health benefits membership except during open enrollment or with a consistent qualifying mid-year event.

The Following Dependents are Eligible for Coverage Under The Plan

The Employee's Legal Spouse

The marriage must be recognized as legal in the Commonwealth of Virginia.

The Employee's Children

Under the health benefits program, the following eligible children may be covered to the end of the calendar year in which they turn age 26 (the Plan's Limiting Age). The age requirement is waived for adult incapacitated children:

Natural children

Adopted children, and children placed for adoption

Stepchildren

A stepchild is the natural or legally adopted child of the participant's legal spouse. Such marriage must be recognized by the Commonwealth of Virginia.

Incapacitated children

Adult children who are incapacitated due to a physical or mental health condition, as long as the child was covered by the Plan and the incapacitation existed prior to the termination of coverage due to the child attaining the Plan's Limiting Age. The employee must make written application, along with proof of incapacitation, prior to the child reaching the Plan's Limiting Age. Such extension of coverage must be approved by the Plan and is subject to periodic review. Should your health Plan find that the child no longer meets the criteria for coverage as an incapacitated child, the child's coverage will be terminated at the end of the month following notification from your health Plan to the enrollee. The child must live with the employee as a member of the employee's household, be unmarried, and be dependent upon the employee for financial support. In the cases where the natural or adoptive parents are living apart, living with the other parent will satisfy the condition of living with the employee. Furthermore, the support test is met if either the employee or other parent or combination of the employee and other parent provide

over one-half of the child's financial support.

Adult incapacitated children of new employees who have been continuously incapacitated may also be covered provided that:

- the enrollment form is submitted within 30 days of hire;
- the child has been covered continuously as an incapacitated dependent on a parent's group employer coverage since the incapacitation first occurred; or as a Medicaid/Medicare recipient;
- the incapacitation commenced prior to the child attaining the limiting age of the Plan; and
- the enrollment form must be accompanied by a letter from a physician explaining the nature of the incapacitation, date of onset and certifying that the dependent is not capable of financial self-support. This extension of coverage must be approved by the health Plan in which the employee or spouse is enrolled.

Adding Adult incapacitated children as a Qualifying Mid-Year Event

Adult incapacitated dependents that are enrolled as an incapacitated dependent on a parent's group employer coverage, or in Medicare or Medicaid, may be enrolled in The Local Choice Health Benefits Program with a consistent qualifying mid-year event (as defined by the Department of Human Resource Management) if the dependent remained continuously incapacitated, eligibility rules are met, required documentation is provided and the administrator for the plan in which the employee is enrolled approves the adult dependent's condition as incapacitating. Eligibility rules require that the incapacitated dependent live at home, is unmarried, and receives over one-half of his or her financial support from the employee.

The following documentation is required by the Plan Administrator to approve the dependent's coverage:

- evidence that the dependent has been covered continuously as an incapacitated dependent on a parent's group employer coverage, or covered under Medicaid or Medicare, since the incapacitation first occurred;
- proof that the incapacitation commenced prior to the dependent attaining age 26; and
- an enrollment form adding the dependent within 60 days of the qualifying mid-year event accompanied by a letter from a physician explaining the nature of the incapacitation, date of onset and certifying that the dependent is not capable of financial self-support. Additionally the plan reserves the right to request additional medical information and to request an independent medical examination.

If an incapacitated dependent leaves the Local Choice Health Benefits Program and later wants to return, the review will take into consideration whether or not the same disability was present prior to their reaching the Plan's Limiting Age of 26 and continued throughout the period that the child was not covered by The Local Choice Health Benefits Program. If the dependent was capable of financial self-support as an adult, and then relapsed into disability, the disability is considered to have begun after the Plan's Limiting Age and the person cannot be added to The Local Choice Health Benefits Program.

Other Children

An unmarried child for whom a court has ordered the employee (and/or the employee's legal spouse) to assume sole permanent custody may be eligible. Eligibility requires that the principal place of residence must be with the employee, the child must be a member of the employee's household, the child must receive over one-half of his or her support from the employee, and the custody was awarded prior to the child's 18th birthday.

Additionally, if the employee or spouse shares custody with their minor child who is the parent of the "other child", then the other child may be covered. The other child, the parent of the other child, and the spouse, if the spouse is the one who has shared custody, must be living in the same household as the employee.

When the minor child, who is the parent of the other child, reaches age 18, the employee must obtain sole permanent custody of the other child and provide this documentation to the Benefits Administrator if coverage is to be continued.

You cannot cover a person as a dependent unless that person is a U.S. citizen, U.S. resident alien, U.S. national, or a resident of Canada or Mexico. However, there is an exception for certain adopted children. If you are a U.S. citizen or U.S. national who has legally adopted a child who is not a U.S. citizen, U.S. resident alien, or U.S. national, you may cover the child, if the child lived with you as a member of your household all year. This exception also applies if the child was lawfully placed with you for legal adoption.

Documentation Requirements

You must provide proof of a dependent's eligibility to your Group Benefits Administrator anytime you add a dependent to health care. The chart below shows the documentation required. In addition, documentation is required for each qualifying mid-year event. Court orders and adoption papers must be reviewed by the Department of Human Resource Management.

Dependents	Eligibility Definition	Documentation Required
<p>Spouse</p>	<p>The marriage must be recognized as legal in the Commonwealth of Virginia.</p> <p>Note: Ex-spouses will not be eligible, even with a court order.</p>	<ul style="list-style-type: none"> ➤ Photocopy of marriage certificate, and ➤ Photocopy of the top portion of the first page of the employee's most recent Federal Tax Return that shows the dependent listed as "Spouse". NOTE: All financial information and Social Security Numbers can be redacted.
<p>Natural or Adopted Son/Daughter</p>	<p>A son or daughter may be covered to the end of the year in which he or she turns age 26.</p>	<ul style="list-style-type: none"> ➤ Photocopy of birth certificate or legal adoptive agreement showing employee's name (Note: If this is a legal pre-adoptive agreement, it must be reviewed and approved by the Office of Health Benefits.)
<p>Stepson or Stepdaughter</p>	<p>A stepson or stepdaughter may be covered to the end of the calendar year in which he or she turns age 26.</p>	<ul style="list-style-type: none"> ➤ Photocopy of birth certificate (or adoption agreement) showing the name of the employee's spouse; and ➤ Photocopy of marriage certificate showing the employee and dependent parent's name and <p>Photocopy of the most recent Federal Tax Return that shows the dependent's parent listed as "Spouse". NOTE: All financial information and Social Security Numbers can be redacted.</p>

Dependents	Eligibility Definition	Documentation Required
Other Female or Male Child	<p>An unmarried child in which a court has ordered the employee (and/or the employee's legal spouse) to assume sole permanent custody may be covered until the end of the year in which he or she turns age 26 if:</p> <ul style="list-style-type: none"> ✓ The principal place of residence is with the employee; ✓ they are a member of the employee's household; ✓ they receive over one-half of their support from the employee and ✓ the custody was award prior to the child's 18th birthday. 	<ul style="list-style-type: none"> ➤ Photocopy of birth certificate and ➤ Photocopy of the Final Court Order granting permanent custody with presiding judge's signature.
Other Female or Male Child - Exception	<p>If the employee (or employee's spouse) shares custody with their minor child who is the parent of an "other female or male child", then that "other child" may also be covered if the other child, the minor child (who is the parent), and the employee's spouse (if applicable)</p> <ul style="list-style-type: none"> ✓ all live in the same household as the employee; ✓ both children are unmarried; and ✓ both children received over one-half of their support from the employee. <p>The minor child must meet all of the eligibility requirements for a dependent child. Once the minor child turns 18, the employee or spouse if applicable, must receive sole custody of the other child to continue coverage.</p>	<ul style="list-style-type: none"> ➤ Photocopy of the other child's birth certificate showing the name of the minor child as the parent of the other child; ➤ Photocopy of the birth certificate (or adoptive agreement) for the minor child showing the name of the employee; and ➤ Photocopy of the Final Court Order with presiding judge's signature.
Incapacitated Adult Dependents	<p>The employee's adult children who are incapacitated due to a physical or mental health condition may be covered beyond the end of the year in which he or she turns age 26 if:</p> <ul style="list-style-type: none"> ✓ they are unmarried; ✓ reside full-time with the employee (or the other natural/adoptive parent); ✓ the employee provides more than half of the dependent's support; ✓ they are deemed incapacitated prior to the end of the year in which they reach age 26; and ✓ they have maintained continuous coverage under an employer-sponsored plan of the employee (or the other natural/adoptive parent). Coverage through Medicare or Medicaid will be deemed coverage through the employee. 	<ul style="list-style-type: none"> ➤ Photocopy of birth certificate or legal adoptive agreement showing employee's name. ➤ In the case of a new employee, copy of the HIPAA Certificate showing prior employer-sponsored coverage. ➤ Other medical certification and eligibility documentation as needed.

When a child loses eligibility, coverage terminates at the end of the month in which the event that causes the loss of eligibility occurs.

Coverage for Retirees Not Eligible for Medicare

The Local Choice Group may elect but is not required to offer Key Advantage coverage to retirees not eligible for Medicare and their eligible dependents. Retirees who meet the Local Employer's eligibility standards and enroll within 31 days of starting retirement or losing eligibility for coverage as an active employee may be eligible for coverage under the health Plan until they become eligible for Medicare (either due to age or disability). Dependent eligibility for the retiree group does not differ from that of active employees. However, dependents of retirees must not be Medicare eligible to continue coverage in Key Advantage. See your Group Benefits Administrator for more information about eligibility for coverage in the retiree group.

Who Is Not Eligible For Coverage

There are certain categories of persons who may not be covered as dependents under the program. These include dependent siblings, grandchildren, nieces, and nephews except where the criteria for "other children" are satisfied. Parents, grandparents, aunts, and uncles are not eligible for coverage regardless of dependency status.

Enrollment and Changes

There are only certain times when you may enroll yourself and your eligible dependents in the health benefits plan, or change your type of membership or plan. You must remove anyone who is no longer eligible for the plan within 60 days of losing eligibility. You risk suspension from the health benefits program for up to three years if you cover individuals who are not eligible.

When Newly Eligible

You have up to 30 calendar days to enroll from your date of hire or becoming eligible. The 30-day countdown period begins on the first day of employment and ends 30 days later. If the enrollment action is received within the 30 calendar day time frame, coverage will be effective the first of the month coinciding with or following the date of employment.

In no case will coverage begin before your first day of employment. In addition, once you have submitted an election within 30 days of employment, the election is binding and may not change after it takes effect. A probationary or waiting period before the Effective Date may be applied if uniform for all employees. Waiting periods may not exceed 90 days.

Retirement

If the Local Employer offers Retiree coverage, retirees eligible for coverage in the Plan but not eligible for Medicare, may elect coverage under the health Plan if they enroll in the retiree group within 31 days of their retirement date. Eligible retirees who did not participate in the health Plan as an active employee prior to retirement may enroll in single coverage at the time of retirement if they do so within 31 days of their retirement date. New retirees may later increase membership with the occurrence of a separate qualifying mid-year event that would allow the increase.

Non-Medicare eligible retiree group participants may make membership and plan changes upon the occurrence of a qualifying mid-year event and at open enrollment. Retiree group participants may reduce membership level at any time, and the Effective Date will be the first day of the month after the notification is received by their Group Benefits Administrator. However, retirees who cancel their own coverage may not return to the program.

During Open Enrollment

Health benefits open enrollment occurs in the spring (certain school groups may elect a fall Open Enrollment period). Open enrollment is your opportunity to make changes in your health benefits plan and/or type of membership. The benefits and premiums associated with your open