



Municipalities building a
stable insurance future.

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RESOLUTION NO. 005- 2016 – PROCEDURE ASSOCIATED WITH MEMBERSHIP RETROSPECTIVE TERMINATIONS

MOVED by Mr. Thayer, seconded by Mrs. Shawley, and unanimously adopted by voice vote by members present.

WHEREAS, The Greater Tompkins County Municipal Health Insurance Consortium is a self-insured municipal cooperative health benefits plan operating pursuant to a Certificate of Authority issued by the New York State Department of Financial Services, in accordance with Article 47 of the New York State Insurance Law, and subject to the terms and conditions of the Municipal Cooperation Agreement which each Participating Municipality has adopted, and

WHEREAS, several participating municipalities have expressed confusion with regard to the rules and procedures associated with the termination of employees, retirees, spouses, and dependent children on a retrospective basis, and

WHEREAS, establishing a retroactive policy with regard to membership terminations is in the best interest of the Consortium Participating Municipalities and Enrollees as it prevents adverse risk selection, increases member and group satisfaction, it allows the administrators to reimburse their medical care providers in a timely and accurate manner for care rendered to covered members, it acknowledges limitations associated with the retraction of claim payments, reduces administrative and medical provider costs associated with adjusted or retracted claim payments, it ensures compliance with State and Federal Laws, and that only eligible persons are covered per New York State Insurance Law and the Consortiums rules and procedures, and

WHEREAS, Section E, Paragraph 9, Board Actions of the Municipal Cooperation Agreement, authorizes the Board of Directors “to establish administrative guidelines for the efficient operation of the Plan, now therefore be it

RESOLVED, on recommendation of the Audit and Finance Committee, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors hereby approves the following with regard to establishing a retroactive policy for membership terminations which are more than 30-days after the date of the event which necessitated the addition, termination, or change:

1. The retroactive termination of health insurance coverage (rescission of coverage) may only occur in the case of fraud or the intentional misrepresentation of material fact, as prohibited by the plan of coverage.
2. A prospective termination of health insurance coverage or the retroactive termination of coverage for failure to pay premium is not considered to be a rescission of coverage and the coverage, in the case of the failure to pay premium, may be cancelled retrospectively to the date of the payment default.

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3. The COBRA law provides for an extensive notice and election period. Requests to reinstate a member to coverage as a COBRA continuant will be allowed for a period of up to 179 days for a subscriber related event and up to 239 days for a dependent related event.

The Consortium asks that the Participating Municipality wait until the continuant pays his or her first premium before reinstating the coverage or the Participating Municipality may be liable for the premium.

Please note that the original transaction to terminate the individual must occur within the standard 30-days. The reinstatement to coverage as a COBRA continuant is the only portion that is an exception to this rule.

4. The notice and election period for New York State continuation is much shorter than COBRA. Requests to reinstate a member to this coverage for a period of up to 95-days will be allowed for a subscriber event and up to 125-days for a dependent event. The subscriber/dependent must pay the premium at the time he or she elects New York State continuation.
5. The New York State Young Adult Option allows dependents who are at least 26 years old age, but less than 30 years of age to continue coverage as an individual by paying the full premium. The election period for initial enrollment allows for retroactive enrollment by Young Adults. Requests to enroll a Young Adult will be honored provided they are received within 60-days of the termination date. The subscriber/dependent must pay the premium at the time he or she elects this coverage option.
6. Termination of coverage for a deceased member who is not an active employee may occur up to 90-days after the date of death without a death certificate, up to and one year after the date of death with a death certificate. It is required that terminations due to the death of an active employee be submitted within 30-days of the date of death.
7. Termination of coverage for a divorced spouse may occur retroactively up to 90-days from the current date of divorce. A request that exceeds 90-days from the date of divorce must be submitted for retroactive review to the Consortium's Audit & Finance Committee. A copy of the divorce decree or a divorce certificate will be required as part of this review.

RESOLVED, further, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors will refund premium amounts associated with retrospective changes for no more than 90-days for terminations associated with a retiree's coverage and nor more than 60-days for terminations associated with an active employee's coverage,

RESOLVED, further, That the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors hereby appoints the Audit & Finance Committee to receive, hear, and rule upon any requests by the Participating Municipalities to appeal a retrospective termination decision and/or to seek an exception to the rules as set forth in this resolution,

RESOLVED, further, That the Greater Tompkins County Municipal Health Insurance Consortium Audit and Finance Committee will establish the process, rules, and procedures

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necessary for retrospective termination appeals as so deemed appropriate by the Committee from time to time,

RESOLVED, further, That this resolution shall take effect upon its approval by the Greater Tompkins County Municipal Health Insurance Consortium Board of Directors.

* * * * *

STATE OF NEW YORK)
) ss:
COUNTY OF TOMPKINS)

I hereby certify that the foregoing is a true and correct transcript of a resolution adopted by the Greater Tompkins County Municipal Health Insurance Consortium on March 24, 2016.



Michelle Pottorff, Administrative Clerk