

Operational Policy and Procedure

DEPENDENT ELIGIBILITY

The purpose of this policy and associated penalties is to:

- Clarify dependent eligibility procedures and policies for medical, dental and vision insurance;
- Specify penalties associated with non-compliance;
- Ensure that non-compliance penalties are imposed impartially and consistently; and
- Sanction non-compliance at a level that is proportionate to the seriousness of the breach.

DEPENDENT ELIGIBILITY VERIFICATION (DEV) – MEDICAL

Dependent eligibility verification audits are conducted by CalPERS for compliance with participation in a CalPERS medical benefits plan. Failure to satisfactorily meet the required DEV processes as defined by CalPERS may result in loss of coverage as defined by CalPERS.

DENTAL AND VISION COVERAGE

CalPERS DEV Audit: In the event a member loses medical coverage due to CalPERS DEV audit, the member will also incur loss of coverage for District-sponsored dental and vision coverage, if enrolled, subject to the same effective date and responsibility for incurred expenses as determined by CalPERS. This decision is irrevocable, except as noted below.

District DEA Audit: In the event an eligible member waives medical coverage through CalPERS but elects coverage for dental and vision only, the member is subject to Dependent Eligibility Audit (DEA) in accordance with District procedures. In the event the member's dependent loses vision and dental coverage due to District DEA audit, the effective date of loss of coverage shall be the last day of the month for which coverage was fully paid and eligible. All dental and vision expenses/benefit charges incurred by the member's dependents, if any, after the effective date of loss of coverage shall be solely the member's responsibility.

DENTAL AND VISION EXEMPTION SURCHARGE FOR CALPERS DEV NON-COMPLIANCE OR FHDA DEA NON-COMPLIANCE DUE TO FAILURE TO MEET TIMELINES:

Failure to complete the required CalPERS DEV process *within the specified timelines* results in loss of dependent coverage in accordance with CalPERS regulation. However, affected plan members shall have the opportunity, on a one-time-only basis, to enroll eligible dependents in the District-sponsored dental and vision plans only for the plan year by paying a \$200 exemption surcharge. Absent payment of this penalty, a subscriber shall not be allowed to enroll dependent(s) until the next Open Enrollment period. A member shall be eligible for this Exemption Surcharge only once; should a second failure to comply with the DEV obligation occur, the member shall not be allowed to enroll dependent(s) until the subsequent Open Enrollment period. If the member was also denied *due to inadequate documentation*, the member shall not be allowed to participate in the exemption surcharge provision.

Members who are enrolled in vision and dental coverage only are required to comply with and meet all District DEA requirements in order to maintain coverage for eligible dependents. Failure to complete the required District DEA process *within the specified timelines* results in loss of dependent coverage in accordance with District procedures. However, affected plan members shall have the opportunity, on a one-time-only basis, to enroll eligible dependents in the District-sponsored dental and vision plans for the plan year by paying a \$200 exemption

surcharge. Absent payment of this penalty, a member shall not be allowed to enroll dependent(s) until the next open enrollment period. A member shall be eligible for this exemption surcharge only once; should a second failure to comply with the DEA obligation occur, the member shall not be allowed to enroll dependent(s) until the subsequent open enrollment period. If the member was also denied *due to inadequate documentation*, the member shall not be allowed to participate in the exemption surcharge provision.

Failure to meet the requirements of the DEV or DEA *due to inadequate documentation* shall not be allowed to participate in the exemption surcharge provision.

CalPERS Rules and Regulations

District-sponsored medical plans are administered through contract with CalPERS. All related rules, policies, and procedures are subject to CalPERS rules and regulations. Wherever a conflict may exist, CalPERS rules and regulations will prevail.

Established January 2014