

6.1 Health Insurance

Personnel Procedures Revised: 04/22/2021

1. PURPOSE: To establish the City policy and procedures on the provision of health insurance benefits for employees.
2. ORGANIZATIONS AFFECTED: Regular and limited term, full-and part-time, variable-hour, and seasonal employees in all departments/divisions.
3. REFERENCES: For complete details, refer to benefit descriptions, the text of the Affordable Care Act (ACA), and any applicable collective bargaining agreements.
4. POLICY:
 - A. The City provides group medical, dental and vision insurance programs for its employees and their dependents (including legal spouses or domestic partners, and dependent children). Employee participation in the cost of health benefits are determined by the terms of applicable collective bargaining agreements and the City Council.
 1. Except as provided otherwise by the terms of any applicable collective bargaining agreement: 1) Regular, limited term and project term employees who are employed a minimum of thirty (30) or more hours a week or 1560 hours/year (see Section 5.B below) are considered “full time” employees for the purpose of receiving health benefits and shall receive full health care benefits; 2) Regular, limited term and project term employees who are employed at least twenty (20), but less than thirty (30) hours a week are considered “part-time” employees and shall receive pro-rated benefits based upon the number of hours in their regularly scheduled work period.
 2. In order to be eligible for domestic partner benefits, the employee and his/her domestic partner must meet the qualifications under RCW 26.60 and be registered as domestic partners with the State of Washington.
 - B. Medical & Dental Insurance: The City will pay a percentage of the total cost of medical and dental insurance premiums for Non-Represented employees as established by the City Council as part of the budget process.
 - C. Vision Insurance: The City will pay a percentage of the total cost of vision insurance premiums for Non-Represented employees as established by the City Council as part of the budget process.
 - D. Medical Insurance “Opt Out” Election: Benefit eligible Non-Represented employees may choose to “opt out” of the City’s medical insurance coverage

and be eligible to receive a premium rebate as approved by the City Council during the budget process.

PROCEDURES.

- A. The City reserves the right to change the carrier or the funding mechanism for benefits provided under this section, and to discuss with employees plans to materially change the benefits.
- B. Regular and limited term employees who work a variable amount of hours, not reasonably estimated by the City, are considered “variable-hour” employees and shall receive full, pro-rated, or no health care benefits depending on the total hours worked (see below).
- C. Seasonal employees are those employees for which the customary annual employment with the City is six months or less, beginning in the same season of each year, and for which the type of work performed is seasonal in nature. Seasonal employees are required to take a continuous six month break in service before being eligible for re-hire by the City. Seasonal employees are not eligible for health care benefits.
- D. Volunteers are not employees and are not eligible for health care benefits.
- E. Positions funded for less than 30 hours/week. No part-time or variable-hour employee hired into a position with approved funding for less than 30 hours a week shall be allowed to work more than 29 hours/week without advance approval from Human Resources.
- F. Eligibility for Health Care Coverage: Unless a later date is agreed to by the employee and the City, health insurance coverage begins on the first date of employment by the City. In no event, however, shall the date of enrollment be later than 90 days following the date of hire (refer to health benefit policies for other conditions of coverage).
 - 1) In compliance with the Affordable Care Act, the City has adopted the following measurement periods for determining “full time” status of employees for the purpose of determining eligibility for health benefits.
 - a. Initial Periods. The City uses an Initial Measurement Period and Initial Administrative Period to measure the hours of new part-time, variable-hour, and seasonal employees. Initial Measurement Periods and Initial Administrative Periods are used to determine whether new employees work an average of 30 hours or more per week and thereby qualify for health benefits during resulting Initial Stability Periods. The process is described as follows:
 - i. Initial Administrative Period (Phase 1):

Begins on the date of hire for new part-time, variable-hour, and seasonal employees, and continues until the last day of that calendar month.

ii. Initial Measurement Period:

Begins on the first day of the first full calendar month following date of hire and continues for 12 months.

iii. Initial Administrative Period (Phase 2):

Begins on the first day of the first full calendar month following the Initial Measurement Period and lasts for the entire month. This phase allows for the calculation of hours worked by employees during the Initial Measurement Period and to enroll eligible employees in health coverage.

iv. Initial Stability Period:

Begins on the first day of the first full calendar month following Phase 2 of the Initial Administrative Period and continues for 12 months.

If a new employee works an average of 30 hours or more per week during an Initial Measurement Period, the employee will be deemed a Full-Time employee and will be eligible for health coverage during the Initial Stability Period, regardless of the hours worked during the Initial Stability Period, so long as the employee remains employed by the City. If an employee works an average of less than 30 hours per week during the Initial Measurement Period, the employee will not be deemed a Full-Time employee and will not be eligible for health coverage during the Initial Stability Period.

- b. Standard Periods. The City uses a Standard Measurement Period and Standard Administrative Period to measure the hours of ongoing part-time, variable-hour, and seasonal employees hired on or before the start of a Standard Measurement Period. Standard Measurement Periods and Standard Administrative Periods are used to determine whether ongoing employees work an average of 30 hours or more per week and thereby qualify for health benefits during resulting Standard Stability Periods. The process is described as follows:

Standard Measurement Period (12 months):

December 1 through November 30

Standard Administrative Period (31 days):

December 1 through December 31

Standard Stability Period (12 months):

January 1 through December 31

If an ongoing employee works an average of 30 hours or more per week during a Standard Measurement Period, the employee will be deemed a Full-Time employee and will be eligible for health coverage during the resulting Standard Stability Period, regardless of the hours worked during the Standard Stability Period, so long as the employee remains employed by the City. If an employee works an average of less than 30 hours per week during the Standard Measurement Period, the employee will not be deemed a Full-Time employee and will not be eligible for health coverage during the resulting Standard Stability Period, regardless of the hours worked during the Standard Stability Period.

c. Overlapping Periods. New part-time variable hour, and seasonal employees will be measured by both the City's Initial Measurement Periods and the first Standard Measurement Periods beginning on or after the date of hire.

2) Hours Calculations/Calculating Paid and Unpaid Leave: To determine the average hours worked by employees during Initial Measurement Periods and Standard Measurement Periods, the City will divide the total hours worked by 52.

Hours of service include both actual hours worked by employees in addition to paid hours for vacation leave, sick leave, holiday leave, or other paid leave.

Periods of unpaid leave, including unpaid FMLA or military leave, are excluded from hours of service and are not considered when determining the average hours worked during Initial Measurement Periods or Standard Measurement Periods. For example, if an employee takes four (4) weeks of unpaid leave during a measurement period, the four weeks are excluded from the hours calculation, with only 48 weeks

G. Dependents: Employees may cover dependents up to age 26. Employees seeking to enroll their dependents in health coverage and who are regularly scheduled to work year-round at least 20 hours a week—but less than 30 hours a week—must pay pro-rated portion of the monthly health premiums.

1) Changes in Dependent Eligibility. Dependents must be added to or dropped from health plans during the annual open enrollment period unless there is a qualifying event such as a divorce or the dependent obtains other coverage. It is each employee's responsibility to notify the Human Resources Department in writing of any change in the eligibility status of their dependents for the purposes of health and COBRA benefits. Failure to notify Human Resources of reduction in dependent status will result in the employee being required to reimburse any unnecessary health care premiums paid by the City for the employee's dependent health care. The City is not liable for

medical expenses or retroactive health care premiums incurred by the employee as a result of the employee failing to notify Human Resources of the addition of new dependents.

- 2) Health benefit eligible employees who share a dependent or dependents may only enroll the dependent or dependents under one of the employees' health **plans**. The City will not pay the employer portion for dependent coverage under both **plans**. Employees who receive health benefits as an employee of the City may also cover themselves or their separate dependents under the spouse's or domestic partner's City health plan, but entirely at their expense.

- H. Compliance with Enrollment Policies: To be enrolled in health coverage with the City, eligible employees must comply with all applicable application requirements and deadlines. Failure to do so may result in delayed or no enrollment until the next annual enrollment period or upon a qualified change in status.
- I. Benefits upon Separation. Upon separation, benefits will continue through the end of the month in which the employee separated from service. Employees enrolled in the City's health plans are eligible for continuation of benefits through COBRA. When separating from service employees should contact Human Resources for more information.