SPOUSAL COORDINATION OF BENEFITS POLICY

This policy became effective with the State of Delaware on January 1, 1993 for a spouse who is eligible for health care coverage through his or her own employer. Effective July 1, 2011, the Spousal Coordination of Benefits Policy became applicable to retiree health care coverage available to a spouse through his or her employer from whom he or she is collecting a pension benefit.

This section describes how this policy effects payment of benefits for spouses. In order to certify that an Employee or Pensioner's spouse is or is not covered by a plan where the spouse works or where the spouse is collecting a pension benefit, all Employees or Pensioners who enroll a spouse MUST complete the Spousal Coordination of Benefits Policy Form to accompany submission of the enrollment application and each year during open enrollment.

IT IS THE EMPLOYEE OR PENSIONER'S RESPONSIBILITY TO UPDATE SPOUSAL INFORMATION WITHIN 30 DAYS AFTER HIS OR HER SPOUSE LOSES OR GAINS COVERAGE.

How Payment of Benefits for Spouses is Affected

The following describes how the policy effects the benefits payment for spouses:

- If the Employee or Pensioner's spouse **is eligible for and not enrolled** in the health care plan offered by his or her own employer as an active employee or retiree, or is eligible for a cash benefit in lieu of a health plan and is not enrolled in a health plan, the State will pay 20% of allowable charges for services covered under the State's health care plan.

- If the Employee or Pensioner's spouse **is eligible for and enrolled** in the health care plan offered by his or her own employer as an active employee or retiree, or is eligible for a cash benefit in lieu of a health plan and is enrolled in a health plan, the State will pay for benefits provided under the State's health care plan after the spouse's health care plan pays. Payment from both plans combined will not exceed 100% of covered charges.

- If the Employee or Pensioner's spouse **is not eligible for and, therefore, is not enrolled** in the health care plan where he or she works or is collecting a pension benefit, or any other health care plan, and is not receiving a cash benefit in lieu of health care from the employer or former employer, the State will pay for benefits as provided under the Employee or Pensioner's selected State health care plan.

How to Determine When Spouses Should be Enrolled in Their Own Employer's Active or Retiree Health Plan or Marketplace Coverage

Generally, the Employee or Pensioner's Spouse does not need to be enrolled in the health care plan where he or she works or is collecting a pension benefit, or in an individual health plan through the Health Insurance Marketplace, if ONE of the following reasons apply:

- The Employee or Pensioner's spouse does not work full-time or is not collecting a pension benefit; or

- The Employee or Pensioner's spouse is not eligible for benefits under the employer's health care plan because the spouse has not satisfied his or her employer's requirements as to the number of hours worked or has not satisfied his or her employer's requirements to be eligible for retiree health benefits; or

- The Employee or Pensioner's spouse's employer requires a contribution of more than 50% of the premium for the lowest active or retiree health benefit plan available through his or her own employer; or
- The Employee or Pensioner's spouse's employer does not offer active or retiree health coverage, or.
- The Employee or Pensioner's spouse's employer does not offer a cash benefit in lieu of health coverage.

Examples to Determine Enrollment in Spouse's Employer's Plan

The chart that follows illustrates examples that will help you determine when a spouse should be enrolled in his or her own employer's plan. In the examples described below, it is assumed that there is health care coverage offered through the spouse's own employer.

Situation	Spouse Should Obtain Available Coverage	Not Necessary for Spouse to Obtain Available Coverage
Spouse is employed full-time and is eligible for coverage.	X	
Spouse is retired and is eligible for retiree health care coverage	X	
Spouse is in active military duty.	X	
Spouse is self-employed and, as sole proprietor, he or she would have to contribute 100% of health care cost.		X
Spouse is a partner and company requires all full-time employees other than partners and/or pensioners to contribute 50% or less of health care costs.	X	
Spouse is a partner and company requires all full-time employees other than partners and/or pensioners to contribute more than 50% of health care cost.		X
Spouse is an owner or part owner of a corporation or ~~limited liability~~ company and employer requires all full-time employees other than owners and/or pensioners to contribute 50% or less of health care costs.	X	

Spouse is an owner or part owner of a corporation or ~~limited liability~~ company and employer requires all full-time employees to contribute more than 50% of health care costs.		X
Spouse is retired from an employer other than the State, does not have retiree health care coverage, and employed full-time with another employer who offers coverage for which the spouse must contribute 50% or less.	X	
Spouse is retired from an employer other than the State, does not have retiree health care coverage, and is employed full-time with another employer who offers coverage for which the spouse must contribute more than 50%.		X
Spouse is retired from an employer (including the State), and the spouse is covered under the retiree health care coverage, and is employed full-time with another employer.		X
Spouse's employer only offers an HMO program and the spouse does not reside in the HMO program services area. (See applicable section below).		X
Spouse is employed full-time and is receiving a cash benefit equal to more than 50% of the State's lowest employee only premium in lieu of health coverage.	X	
Spouse is retired and is receiving a cash benefit equal to more than 50% of the State's lowest employee only plan premium in lieu of retiree health care coverage	X	

How to Determine if a Spouse Works Full-time

Based on the State's rule regarding full-time status, *Full-time* means that an individual works 30 or more hours per week.

However, if a spouse works less than the full-time hours required by his or her own employer **and** such spouse receives less than the full-time contribution towards health care coverage, then the spouse is considered part-time even though he or she works more than the 30 hours per week required by the State. Under these circumstances, the spouse is not required to obtain coverage through his or her employer.

For example:
A State employee's spouse works for an employer who requires 40 hours per week to be considered a full-time employee and who pays $200 contribution towards health care coverage for each full-time employee. The spouse only works 32 hours per week and the spouse's employer contributes $160 towards his or her health care plan contribution. Since the spouse works less than the required number of hours and receives less than the full-time contribution, the spouse is considered part-time.

How to Determine the 50% Contribution Requirement

When determining contributions made by the spouse's employer to his or her health care plan, all flexible benefit dollars, cash in lieu of health benefits, and/or credits available to the spouse are counted as contributions provided by the spouse's employer. If these employer contributions are 50% or less than the premium for the lowest benefit plan available through the spouse's employer, it is not necessary for the spouse to enroll in his or her own employer's plan. In the case of cash in lieu of benefits, if the employer contributions are 50% or less than the premium of the State of Delaware Group Health Insurance Plan's lowest employee only benefit plan for active and non-Medicare retirees or are 50% or less than the premium of the Medicare supplement plan for Medicare eligible spouses, it is not necessary for the spouse to enroll in his or her own employer's plan, or an individual health plan.

What Happens When There is no Open Enrollment Period for the Spouse

Sometimes a spouse may be unable to enroll in his or her own employer's active or retiree plan because there will be no Open Enrollment Period consistent with a new enrollment. In such cases, benefits will be provided under the Employee or Pensioner's selected State health care plan until the next Open Enrollment Period for the spouse's employer plan,

If the spouse is not enrolled in his or her own employer's active or retiree plan by the effective date associated ~~with their~~with their next Open Enrollment period, the State will pay benefits at 20% of the allowable charges for services covered under the Employee's selected State health care plan, until such time that the spouse obtains employer coverage.

What Happens When the Spouse's Employer Only Offers an HMO Program

Some employers may only offer an HMO program and the spouse may live outside of the HMO program service area. In such instances, it is not necessary that the spouse enroll under his or her own employer's plan. However, the State will evaluate the spouse's enrollment under the employer's plan on an annual basis. If, in the judgment of the State, the spouse's employer offers only an HMO program to avoid covering spouses of State employee, then the State reserves the right to pay benefits at 20% of the allowable charge for services covered under the Employee's selected State health care plan.

What Happens When the Spouse is a Participating Group Employee

When a benefit eligible Participating Group Employee is married to a State of Delaware employee enrolled in the State's Group Health Insurance Program, the spouse must elect coverage through the participating group employer. Neither member can be enrolled in more than one State Group Health Insurance Plan. Both members must enroll in separate coverage with his or her own employer.

NOTE:
Benefits for dependent children are paid according to the provisions described in Coordination of Benefits when dependent children are covered under one of the State's health care plans as well as another health care plan. Eligible dependents may not be enrolled more than once under the State Group Health Insurance Plan and can be enrolled under either parent unless the parents cannot agree in which case enrollment shall meet the requirements of Eligibility and Enrollment Rules 2.02 and 2.03.

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