



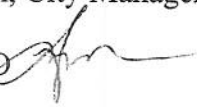
OFFICE OF THE CITY MANAGER  
CITY HALL  
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Thomas Moses  
Chief Financial Officer

*In CC  
packets 5/8/09  
by Bmt/als*

Date: April 30, 2009

To: Bernard F. Lynch, City Manager

From: Tom Moses, CFO 

Re: Councilor Elliott 3/10/09 Motion – Health Insurance Rolls, Compliance

At a recent City Council meeting, Councilor Rodney Elliott made a motion that we investigate that our insurance rolls are not populated by employees or beneficiaries that are not eligible for health benefits.

Our Human Resources Department requires enrollment information that identifies employees and beneficiaries as initially eligible. This information includes employment status, relationship to the employee, birth date and social security number. Both HR and Blue Cross monitors fields such as birth date for changes in status, such as exceeding the age limit for dependent status. Attached is a copy of the eligibility information that we distribute to every new employee.

City and insurance company records are reconciled monthly for additions, deletions, and changes. There does not appear to be a problem with enrollment data. This does not preclude all errors, however. For example, divorce or remarriage may affect eligibility and, unless reported promptly by the principals, neither the City nor the insurance company would be aware of such changes.

CITY OF LOWELL  
BENEFIT ENROLLMENT GUIDELINES

The City of Lowell may add eligible members to their group medical, dental and term life insurance plan on: 1.) their initial eligibility date, 2.) during open enrollment (May through June of each year) or 3.) within thirty days of a qualifying event. To enroll, all employees must obtain an eligibility authorization form completed and authorized by their department head, or in the case of school personnel, by the Superintendent, Deputy Superintendent, Supervisor of Payroll Department, Human Resource Manager or other designated personnel. Employees **must** enroll within thirty days of their eligibility date. Employees who fail to enroll within thirty days of their eligibility, will have to wait until open enrollment of that year.

The initial eligibility date for an eligible employee is:

1. Date of hire or the date of completing the City's ninety (90) working days probationary period. The School Department may have additional criteria for eligibility. Part-time, seasonal and per diem employees are not eligible for benefits.
2. Date a previously ineligible employee becomes eligible due to an increase in the numbers of hours worked each week.

The initial eligibility date for an employee's dependent is:

1. Date of marriage (marriage certificate required);
2. Date of birth (birth certificate required);
3. Date of legal adoption or legal guardianship (court order/documentation required);

**Note:** Employees must enroll the dependent/spouse within thirty days of a qualifying event.

An eligible employee, who was previously insured through a spouse, whose insurance is canceled involuntarily due to a lay-off, termination, divorce or death, is eligible to enroll in the plan within thirty days of these qualifying events. Documentation from the prior employer and/or insurance company will be required. In addition, an employee's spouse who involuntarily loses coverage, may enroll in their spouse's plan within thirty days of loss of coverage from their prior employer.

Employees, who miss their initial eligibility period or exceed the thirty days of a qualifying event, will be eligible to enroll in the plans during open enrollment of each year.

Employees are eligible to maintain their benefits when they retire from the City of Lowell assuming they are enrolled in the plan the day prior to their retirement. Employees who subsequently retire from the City, who elected not to continue in the plan, may subsequently enroll in the plan during open enrollment each year or within thirty days of involuntarily losing health insurance through a spouse's employment or their own insurance. Retirees are eligible to maintain certain life insurance plans but not enroll for additional coverage. Employees/Retirees should discuss their options with the Human Relations Office.