



CLIENT INFORMATION GUIDE

Section: Benefits

Topic: Health Insurance Eligibility

When you first elect to provide health insurance coverage for your employees, or if you make a transition to a new health carrier, all existing employees are immediately eligible for coverage with no waiting period, if you choose to include them in the initial enrollment.

However, when setting up your group program, you will be asked to determine how long new employees must wait in order to be eligible to participate in the health insurance program. Waiting periods frequently vary depending upon the norms within an industry. Typically, the higher the compensation and level of professional training, and the lower the rate of employee turnover, the shorter the waiting period (0, 30 days). However, where compensation and training requirements are lower and turnover is greater, a longer waiting period (60, 90, 180 days) is customary.

If a new employee (not enrolled during the initial enrollment period) wishes to receive coverage, they must fill out an enrollment form for health insurance and submit it to the employer in time to allow for enrollment by the effective date when their coverage would become effective. Many employers set a deadline for enrollment forms to be submitted by the 15th of the month prior to the month when coverage is to be effective. This deadline generally allows sufficient time for an employee to be enrolled before the first of the month, which is typically the effective date of coverage for new enrollees.

If health coverage is not accepted at that time of eligibility, that employee cannot later elect for health coverage for themselves or their dependents until the annual Open Enrollment period. The effective date of your open enrollment period will fall on the annual anniversary of your program.

So, for example, if a worker were to be hired on January 2nd and the company has a 90 day waiting period for eligibility, then the worker would become eligible on April 2nd (90 days after the date of hire) and the health application would need to be submitted before the 15th of April so that this worker's coverage could begin effective May 1st. If the employee were to fail to submit an enrollment form at that time, they would need to wait until the Open Enrollment period in order to elect for coverage.

The exception to this applies if one of several "qualifying events" occurs which makes an employee or their dependent(s) eligible. Once one of these events occurs, the employee has **31 days** to request coverage.

Under most insurance programs, these events are as follows:

1. Marriage
2. Death or Divorce (usually meaning loss of insurance through loss of spouse's coverage)
3. Loss of job (usually meaning loss of insurance through loss of spouse's coverage through employer)
4. Birth/Adoption of child