

Town of Northborough
Health Insurance Opt-Out Program Policy
July 1, 2017 Through June 30, 2025

What is an “Opt-Out” program?

If you are a full time employee with The Town of Northborough, beginning July 1, 2017, you may be able to take advantage of an incentive program offered by the Town if you can demonstrate you have access to health insurance through another plan. The Town is providing this incentive for employees **currently covered** under the Town’s health plans to “opt-out” of their election, either individual or family coverage providing the employee can prove enrollment in alternate coverage.

PROGRAM ELIGIBILITY

Any active Town or School K-8 employee in a sponsored **health insurance** plan continuously for 24 months, in either an individual or a family plan, is eligible. Any employee eligible for the Opt-Out benefit payment must have insurance coverage from another source, such as spouse coverage, military or a private plan and provide annual proof of the alternate coverage. Alternate coverage cannot be through a marketplace exchange.

PROGRAM ELIGIBILITY LIMITATIONS

- A switch from a Family plan to an Individual plan is not eligible for the Opt-Out Program
- A switch from one spouse or family member to another who is also a Town or K-8 School employee and teachers participating in the job share program are not eligible for the Opt-Out Program
- A switch from one spouse or family member to another who is employed by the Northborough Southborough Regional School District is not eligible for the Opt-Out Program

ANNUAL PAYMENT AMOUNT

**\$1,500 Individual Plan
\$3,750 Family Plan**

Taxable payments will be made through payroll on a bi-weekly basis. These payments are not pensionable. Payments cease if program is not renewed or the employee re-enrolls. The Board of Selectmen reserve the right to cancel or change this program annually, effective with each open enrollment period beginning on July 1st, during the three year duration of this program.

RE-ENROLLMENT BACK INTO TOWN HEALTH COVERAGE

An employee may re-enroll for Town health coverage only if the employee has a qualifying event. A qualifying event as recognized by the health plan’s underwriting rules are:

- A. Marriage or Divorce
- B. Birth or adoption of a child
- C. Death of a family member
- D. Lack of other coverage through no fault of the employee or subscriber
- E. Change in hours, which results in change of employment hours

In order to re-enroll in the Town Health Insurance program, the employee must notify the Treasurer’s Office within thirty (30) days of the qualifying event and provide written documentation. If the employee needs to re-enroll in the Town’s sponsored insurance, the employee’s “opt-out” benefit shall be stopped for the duration of time that the employee re-subscribes into Town health benefits. The “opt-out” payment shall be stopped effective with the date of termination of employment.

HOW TO PARTICIPATE

Complete the “Northborough Health Insurance Opt-Out Employee Form” and return to the Treasurer’s Office in Town Hall. You will be required to provide a copy of evidence of alternate health coverage. For any questions, please call us at (508) 393-5047. The form must be completed **during the annual open enrollment** for coverage that begins on July 1. Any opt-out request due to a qualifying event outside open enrollment must be received in the Treasurer’s Office **within 30 days of the qualifying event** (otherwise the opt-out will not be approved until the next annual open enrollment period beginning on July 1st).

IMPORTANT REMINDER

Employees who are planning to retire will still be required to have Town Health Plan coverage at the date of their retirement in order to be eligible for retiree health care benefits. Please be sure to plan ahead, and enroll in health insurance at the annual open enrollment, one year in advance of your retirement.

Town of Northborough
Health Insurance Opt-Out Employee Form

Employee Name:

Department:

Address (Street, City, St, ZIP):

Health Plan:_____

FAM/IND:_____

Please provide the following:

- Signed Membership Health Form to cancel Insurance
- Proof of minimum essential coverage in alternate insurance with minimum value for each enrolled member – required to provide this documentation each plan year.

The Town will make the appropriate payment via payroll check over 21 pay periods or 26 pays. The payment will either be \$1,500 for an Individual plan or \$3,750 for a Family plan. Payments will cease if the alternate coverage is not continued throughout the entire plan year.

EMPLOYEE ATTESTATION

I, _____ hereby attest that the alternate health insurance plan represents minimum essential coverage and provides minimum value under the Affordable Care Act. I further attest a that I have read the Health Insurance Opt-Out Program Policy and understand these terms to the best of my knowledge.

EMPLOYEE SIGNATURE

DATE

Please submit to:

Treasurer's Office
63 Main Street
Northborough, MA 01532
508-393-5047

DATE RECEIVED by OFFICE:_____

APPROVED (Y/N)_____ INITIAL:_____