

PREAMBLE

Unless otherwise noted in a specific provision, the State Personnel Director's Administrative Procedures were adopted by the State Personnel Director on May 2005, pursuant to a Statement of Basis & Purpose dated May 5, 2005. Such rules and procedures were effective July 1, 2005. This version reflects rulemaking by the State Personnel Director as follows: to modify Procedures 11-3, 11-7, 11-9, 11-11, 11-12, 11-16, 11-19, 11-21.

Chapter— 11 – State Benefit Plans

Authority for rules promulgated in this chapter is found in [State of Colorado Revised Statutes \(C.R.S.\) § 24-50-104, 24-50-109.5, and Part 6, C.R.S. Board rules are identified by cites beginning with "Board Rule".the State of Colorado Constitution Article XII, Section 13, The Patient Protection and Affordable Care Act \(PPACA\), commonly called the Affordable Care Act \(ACA\), and 26 U.S.C. 63, The Family Medical Leave Act \(FMLA\), Americans with Disabilities Act \(ADA\), Family Care Act \(FCA\), Uniformed Services Employment and Reemployment Rights Act \(USERRA\), State of Colorado Revised Statutes \(C.R.S.\) §§ 1-6-115, 1-6-122, 1-7-102, 8-40-101, 14-2-101, 14-15-103, 24-11-101, 24-11-112, 24-18-102, 24-33.5-825, 24-50-104, 24-50-109.5, 24-50-401, 28-1-104, 28-3-601, 28-6-602, 28-3-607, 28-3-609, and 28-3-610. \(02/2017\).](#)

General Principles

- 11-1. The state reserves the sole right to add, modify, or discontinue any state group benefits as deemed necessary. (7/1/10)
- 11-2. The Director complies with applicable federal and state law and regulations that govern state group benefit plans, as well as the terms and conditions of the state group benefit plans contracts and plan documents. Governing laws and regulations, and these rules shall prevail in the event of a conflict with contracts or plan documents. (7/1/10)
- 11-3. The rules in ~~this Chapter~~ [Chapter 11, State Benefit Plans](#), apply to all departments administering and all employees eligible for state benefit plans. ~~(7/1/10)~~[\(02/2017\)](#)

Director Responsibilities

- 11-4. The Director will provide all group benefits information, written directives and training to departments necessary for department benefit administrators to fulfill their responsibilities as delegated agents to the plans. (7/1/10)
- 11-5. The Director has sole authority to determine eligibility, negotiate contracts, determine plan designs, set rates and coverage tiers, define the plan year, and establish open enrollment periods, in accordance with law, regulations, and approved funding. (7/1/10)
- 11-6. The Director's online benefits administration system is the official system of record for all eligibility and enrollment transactions. (7/1/10)

Department Responsibilities

- 11-7 All departments shall exercise due diligence when administering group benefits in the best interests of the plans and all members. As delegated agents of the Director in their respective departments, each department benefits administrator's responsibilities include, but are not limited to, the following. (7/1/10)

- A. Know and comply with plan documents and basic plan features, law and regulations, rules, benefits administration system, deadlines, the Director's website, and written directives.
- B. Communicate, disseminate, explain, and answer questions on all benefits-related information including, but not limited to, options and changes, process, requirements and eligibility.
- C. Provide prompt notice of enrollment opportunities and information so employees can elect benefits during open enrollment or enroll within 31 days of hire or an employee's notice of a qualified event. The first day (day 1 of the 31 days) is the day after hire or a qualified event. (1/1/14)
- D. Monitor deadlines and assist employees with meeting those deadlines.
- E. Provide access to and training in the use of the benefits administration system, and assist employees with transactions.
- F. Refrain from advising an employee of which individual elections to make and assisting an employee in the commission of fraud or attempted fraud of a state benefit plan.
- G. Process timely and accurate transactions and payments. This includes regular review of pending actions, supporting documentation, and system reports in order to promptly approve elections, terminate coverage, investigate suspicious or questionable actions or data, correct errors, and verify continuing dependent eligibility.
- H. ~~Maintain records of all supporting documentation pertaining to the state group benefit plans to demonstrate compliance with law, rules, and written directives.~~ Repealed (02/2017)

11-8 These responsibilities apply to all departments, including those that offer their own separate group benefit plans to other employees not covered by the "State Employees Group Benefits Act". (7/1/10)

Employee Responsibilities

- 11-9. Employees are responsible for knowing, understanding, and adhering to these rules, plan documents for the terms and conditions of coverage, and eligibility and enrollment requirements in order to make timely and informed choices, including, but not limited to, the following. (1/1/14)
- A. Employees shall enter all required information in the benefits administration system in a timely and accurate manner in order to comply with eligibility and enrollment requirements for themselves and eligible dependents.
 - B. Enrollment of employees and eligible dependents is restricted to initial hire, annual open enrollment, and limited qualified events defined by law and plan documents. Elections are irrevocable for the plan year, except in limited circumstances specified by law or regulations. Failure to enroll or change elections within deadlines is not a qualifying event.
 1. Any permitted enrollment, modification, or termination of enrollment shall be entered into the official benefit administration system ~~and accompanied by supporting documentation during open enrollment or~~ within 31 days of a qualifying event ~~during the year.~~ Any supporting documentation required for the enrollment, modification, or termination of enrollment must be submitted within 45 days of the qualifying event. The first day of the 31-day period is the day after the qualifying event. For Open Enrollment, transactions shall be entered into the official benefits administration system with accompanying documentation within the allotted time period established. (02/2017)

2. Failure to enroll or modify enrollment on or before the 31st day of the qualifying event requires the employee to wait until the next open enrollment or [when the employee or dependents no longer meet eligibility requirements at the time of another qualifying event. \(02/2017\)](#)
 3. Enroll and verify elections annually.
 4. Employees who transfer from one department to another must notify both department benefit administrators to avoid a potential lapse in coverage.
- C. Employees shall remove any dependent by the end of the month in which the dependent ceases to meet eligibility requirements. Failure to do so results in the employee's continuing financial liability for total premium (employee and employer contributions) and cost of paid claims for the ineligible dependent, as specified in law and regulations, plan documents, and these rules.
- D. Any enrollment or qualified change to enrollment constitutes authorization to begin or end payroll deductions.
1. Employees must verify the accuracy of their payroll deductions and notify their department benefits administrator of any error. The notice must be in writing and within 15 days from the pay date in which the first payroll deduction occurred.
 2. If an employee fails to notify the department of the payroll error within the 15-day period, the employee will continue to be liable for the election for the remainder of the plan year unless the election is not consistent with plan documents, rules, laws, regulations, and written directives.
- 11-10. It is unlawful for any employee, or dependent to intentionally provide false, incomplete, or misleading facts, information, or document in written or electronic form, including the benefits administration system for the purpose of defrauding or attempting to defraud the State of Colorado. The Director shall investigate when there is reason to believe an employee or dependent is committing or attempting to commit fraud against any state group benefit plan. If the Director finds evidence of fraud or attempted fraud, the employee, dependent, or both may be subject to any or all of the following sanctions. (7/1/10)
- A. Immediate termination of coverage.
 - B. Denial of future enrollment.
 - C. Requirement to reimburse the state contributions and claims costs during the time of ineligible coverage.
 - D. Filing of criminal charges.
 - E. Notice to the employee's department, which may take employment action, such as corrective or disciplinary action.

Eligibility

- 11-11. Employees and their dependents must meet the eligibility requirements as defined in state law, plan documents, and rules to qualify for enrollment in the state group benefit plans. (7/1/10)
- [A. Dependents may not enroll in the State Benefit Plans unless the employee is enrolled. If the employee and spouse/partner are both employees of the state, each may be enrolled as an employee or covered as a dependent of the other person but not both. If both the employee](#)

and spouse/partner make a separate election under the State Benefit Plans, only one parent may enroll children as dependents. (02/2017)

- 11-12. Eligible dependents include only those listed below. Additional criteria and documentation requirements are contained in the State of Colorado Salary Reduction Plan, documents law and regulations, rule, and other written directives, which are available in the Employee Benefits Unit. Dependents may be federal tax dependents (qualified) or non-tax dependents (non-qualified). Non-qualified dependents' coverage is subject to taxable income regulations. Eligible dependents are specified in statutes, primarily § 24-50-603(5) and (6.5), C.R.S., as modified or further defined by other state statutes (e.g., Title 10) or federal regulations (e.g., Affordable Care Act [ACA], IRC on taxable income). (1/1/14)(02/2017)

A. An employee's current spouse, including common law spouse are defined as the following:

1. Spouse means an individual to whom the employee is legally married, or
2. Common law spouse means an adult, at least 18 years of age:
 - a. with whom the employee cohabitates; and,
 - b. who represent themselves to the community as married to each other; and
 - c. there is no legal impediment to the marriage.

B. A same-gender domestic partner is an adult, at least 18 years of age:

1. with whom the employee has shared an exclusive, committed relationship with that same person for at least one year prior to enrollment with the intent for the relationship to last indefinitely;
2. who is not related to the employee by blood to a degree that would prohibit marriage; and
3. neither the employee nor partner is married to another person or in a civil union partnership with another person.

C. Partner in a legally recognized civil union.

D. A child is defined as an individual under 26 and is:

1. Biological or natural child, or
2. Legally adopted, or
3. Legally placed for adoption or foster care, or
4. Step child as long as the employee and natural parent are married, or
5. Child of a same-gender domestic partner or partner in a civil union as long as the employee and parent are in a committed relationship, or
6. Child for whom the employee has a court order granting legal custody or allocation of parental responsibility that specifies responsibility for health insurance coverage.

D. A disabled child is defined as a child with a physical or mental disability who is:

1. unmarried;

~~2.—disability is certified by the State’s medical carrier or third-party administrator (in the case of dental or life only, a Social Security Administration SSI determination);~~

~~3.—not covered by other government programs; and~~

~~4.—the employee is the major source of financial support or directed by a court order to provide coverage.~~

~~E.—Excluded are ex-spouses and same gender domestic ex-partners and their children, opposite gender domestic ex-partners, and their children, civil union ex-partners and their children, parents, grandparents and grandchildren, siblings, aunts and uncles, nieces and nephews, cousins, and any other relatives or non-relatives in the household. The only exception is when a court determines a qualified dependent relationship exists and issues an order specifying responsibility for coverage~~

11-13. Legal documentation is required to add any dependent to State benefits. (1/1/14)

Coverage of Benefits

11-14. Initial coverage in group benefit plans is effective on the first day of the month following the date of hire or initial eligibility unless otherwise specified by the contracts, law, or regulations. (1/1/14)

11-15. All coverage for a qualifying event is prospective from the beginning of the next month or the date of entry into the official benefit administration system, whichever is later, except for initial coverage for new employees and newborn children. (1/1/14)

11-16. Elections made during open enrollment are effective the first day of the new plan year, with the exception of optional benefits. (7/1/10)(02/2017)

11-17. Termination of coverage is subject to law and regulation, plan documents, and contracts, as well as the following rules. (7/1/10)

- A. If at any time during the plan year any dependent ceases to meet the eligibility criteria, coverage ends on the last day of the month in which that dependent becomes ineligible.
- B. Coverage in state group benefit plans is terminated on the last day of the month that employment ends.

Payment of Contributions

11-18. Departments shall make prompt monthly payments based on enrollment in the official benefit administration system. (7/1/10)

- A. The employee’s current department as of the last day of the month is responsible for payment.
- B. A department is liable for both state and employee contributions when failing to promptly enter an employee termination.

11-19. Employees must make an irrevocable election for the plan year to have contributions deducted on a pre-tax or after-tax basis as defined by the State of Colorado Salary Reduction Plan, law and regulations, rule, and written directives. The employee’s contribution is deducted from the employee’s pay or, under certain circumstances, paid by personal payment for the selected state group benefit plans, in arrears as of the end of the month in which an employee is covered. (7/1/10)(02/2017)

- 11-20. An enrolled employee who works or is on paid leave one or more regularly scheduled, full workdays in a month is eligible for the full state benefit contribution. (7/1/10)
- 11-21. When an employee is on leave, departments shall continue to pay the state contribution for non-contributory, fully paid benefits (e.g., basic life and short-term disability) as long as the employee remains on the payroll, regardless of status. (1/1/14)
- A. During paid leave or mandatory furlough, the employee contribution continues to be paid through payroll deduction and the department continues to pay the state contribution.
 - B. During unpaid leave, the employee shall pay the total premium (employee and employer contributions) to the department within the month of coverage, except as follows.
 - 1. During unpaid ~~family/medical leave, leave pursuant to the Family Medical Leave Act of 1993,~~ the department shall continue to pay the state contribution as long as the employee continues to pay the employee contribution by the due date specified in the family/medical leave notice. If the employee fails to pay the employee contribution when due, coverage will be terminated but shall be reinstated upon return to work. In the event any contributions are owed upon the employee's return to work, such contributions shall be collected from the employee. If the employee fails to return after the leave, any contributions due will be recovered as specified by federal regulations. (02/2017)
 - 2. While an employee is on voluntary furlough or short-term disability leave, the department shall continue to pay the state contribution as long as the employee continues to pay the employee contribution in a timely manner. If the employee fails to pay the employee contribution by the due date, coverage shall be terminated and the employee must wait for the next annual open enrollment.
- 11-22. Refunds for employee and state contributions are subject to plan limitations and as defined in law and regulations, rule, and written directives. (7/1/10)
- 11-23. When there is a difference between the contribution paid by the employee and the actual contribution due, the difference is paid by the employee (e.g., change in coverage tier). (7/1/10)

Appeal Procedures

- 11-24. Appeals regarding denial of eligibility for state group benefit plans must be submitted in writing to the Director, at the address below, within 31 days of receipt of the ineligibility decision. Use of the standard "**Colorado State Employees Group Benefits Eligibility Determination Appeal Form**" found on the Director's web site is required. (1/1/14)

Appeals should be submitted to the Department Of Personnel and Administration, Division of Human Resources via mail, email, or by fax.

Department of Personnel and Administration
Division of Human Resources
1525 Sherman Street
Denver, CO 80203
benefits@state.co.us
Fax: 303-866-3879

The Director will issue a final written decision within 45 days of receipt of the appeal. The ineligibility decision is overturned only if found to be arbitrary, capricious or contrary to rule or law.

11-25. Appeals of denied claims under any of the state group benefit plans shall follow the specific appeal process defined in the specific contract, plan document, summary plan description, or regulated entity. The provider will issue a final written decision in accordance with its process. (7/1/10)

A. Appeals of denied claims under fully insured plans are regulated by the State of Colorado Division of Insurance, and follow the plan's appeal process as defined in the contract and plan document.

B. Appeals of denied claims under self-funded plans are not regulated by the State of Colorado Division of Insurance, and follow the third-party administrator's appeal process as defined in the contract and plan document.

Colorado State Employee Assistance Program

11-26. Services provided include but are not limited to counseling services, crisis intervention, consultations with supervisors and managers, facilitated groups, trainings, and workshops. (7/1/10)

11-27. Any state employee and any department may participate in the program. (7/1/10)

A. The program may request the participation of other persons if necessary to provide effective assistance to the employee.

B. The limit per employee is one six-session course of counseling in a 12-month period. At the discretion of the counselor, additional sessions may be authorized.