

Department of Human Resources Development

Amendments to Chapters 14-51 and 14-52
Hawaii Administrative Rules

July 22, 2015

SUMMARY

1. §14-51-24(a) is amended.
2. ~~§14-52-2 is amended.~~
3. ~~§14-52-22(a) is amended.~~
4. ~~§14-52-24(c) is amended.~~
5. ~~§14-52-51(d) is amended.~~
6. ~~§14-52-60(b) is amended.~~

§14-51-24 Voluntary changes in elections. (a) A benefit election may be voluntarily canceled or changed prior to the end of a period of coverage, if both of the following conditions are met:

- (1) The cancellation or change is on account of and is consistent with a change in status authorized under section 125 of the Code or under written guidance issued by the federal Treasury Department or the Internal Revenue Service, including but not limited to such events as:
 - (A) A change in legal marital status (including marriage, divorce, death of spouse, legal separation, or annulment);
 - (B) A change in the number of dependents (including birth, adoption, addition of a foster child, death of a dependent, or the addition of eligible dependents to the employee's household);
 - (C) A change in employment status of the employee, employee's spouse, or the employee's dependent (including commencement or termination of employment, a strike or lockout, reduction or increase in hours of employment by the employee, spouse, or dependent, commencement of or return from an unpaid leave of absence, transfer to a non-eligible employment classification, a change to a new employment classification where other component plans are available or where the employee's carrier plan is not available, or a change in worksite);
 - (D) A change that causes an employee's dependent to satisfy or cease to

satisfy eligibility requirements for coverage (including attaining age, student status, or any similar circumstance);

- (E) A change in residence of the employee, spouse, or dependent where the employee's carrier's plan is no longer available or where other component plans are available;
- (F) A judgment, decree, or order resulting from a divorce, legal separation, annulment, or change in legal custody (including a qualified medical child support order as defined in section 609 of ERISA) that requires accident or health insurance coverage for an employee's child or foster child who is a dependent of the employee;
- (G) An entitlement or loss of entitlement to medicare or medicaid, or loss of entitlement to certain other governmental or educational institution group medical programs as defined under the Code;
- (H) A significant change in the component plan costs or coverage terms, including the addition or elimination of a benefit plan;
- (I) A change in coverage under another employer plan;
- (J) A reduction in service hours that meets the following conditions:
 - (i) The employee has been in an employment status under which the employee was reasonably expected to average at least thirty hours of service per week (even if that change does not make the employee ineligible for coverage) and there

is a change in that employee's status so that the employee will now be reasonably expected to average less than thirty hours of service per week after the change; and

- (ii) Upon cancellation of the election of coverage under the component plan, the employee attests to the plan in writing that the employee and any related individuals who are no longer covered because of the cancellation, have enrolled or intend to enroll in another plan that provides minimal essential coverage with the new coverage; provided that the new coverage is effective no later than the first day of the second month following the month in which the date the original coverage was canceled;
- (K) Enrollment in a qualified health plan that meets the following conditions:
 - (i) The employee is eligible for a special enrollment period to enroll in a qualified health plan through a health insurance exchange pursuant to guidance issued by the federal Department of Health and Human Services and any other applicable guidance, or the employee seeks to enroll in a qualified health plan through a health insurance exchange during the health insurance exchange's annual open enrollment period; and
 - (ii) Upon cancellation of the election of coverage under the component

plan, the employee attests to the plan in writing that the employee and any related individuals who are no longer covered because of the cancellation have enrolled or intend to enroll in a qualified health plan through a health insurance exchange for new coverage that is effective beginning no later than the day immediately following the last day the original coverage is canceled; or

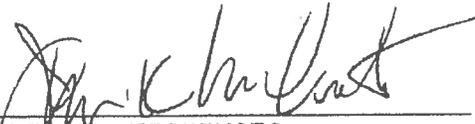
- (L) Commencement of or return from a leave of absence provided through the Family and Medical Leave Act; and
- (2) A corresponding cancellation or change in the employee's component plan enrollment is acceptable under the administrative rules of the entity authorized by statute to administer the State's health benefit plans.

[Eff. 12/15/89; am 10/26/98; am 9/29/03;
am AUG 17 2015] (Auth: HRS 76-17) (Imp: HRS §78-30)

DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT

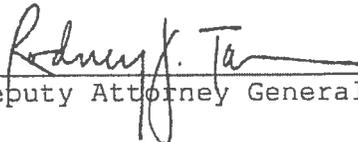
Amendments to chapters 14-51 and 14-52, Hawaii Administrative Rules, on the Summary page dated July 22, 2015, were adopted on July 22, 2015, following a public hearing held on July 22, 2015, after public notice was given in the Honolulu Star Advertiser, the Maui News, the Garden Island News, West Hawaii Today, and the Hawaii Tribune Herald, on June 19, 2015.

These amendments shall take effect ten days after filing with the Office of the Lieutenant Governor.



JAMES K. NISHIMOTO
Director
Department of Human Resources
Development

APPROVED AS TO FORM:



Deputy Attorney General



DAVID I. IGE
Governor
State of Hawaii

Date:

8-6-15
Filed

LIEUTENANT GOVERNOR'S
OFFICE

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