

# Qualifying Mid-Year Events (QME) – Birth, Adoption, or Placement for Adoption

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## When can an employee/retiree request addition of a family member due to birth, adoption, or placement for adoption?

If the employee/retiree submits a request to enroll a newly-eligible family member within 60 calendar days of their birth, adoption, or placement for adoption event (the date of the event is the first day of the 60-day window), the addition and change in membership level (if applicable) is required to be effective retroactively to the date of the event. However, since the eligibility system will not accommodate an effective date other than the first day of a month, the effective date will be the first day of the month in which the qualifying event occurred (see one exception below\*).

To fulfill the requirements of the Health Insurance Portability and Accountability Act (HIPAA) Special Enrollment provisions, the retroactive effective date is an exception to the prospective effective date that applies to most qualifying mid-year events. \*However, if employees or retiree group participants provide documentation of other coverage for the month of birth, adoption, or placement for adoption, they may make the health plan coverage election on a prospective basis to be effective the first of the month following receipt of the enrollment action.

The following documentation should be obtained and placed in the employee's file:

- For the birth of a child, the BA should obtain a copy of the birth certificate or other documentation validating the date of birth.
- For adoption or placement for adoption, the BA should obtain court orders documenting the adoption or placement. **NOTE: DHRM must approve all pre-adoptive agreements.**

Corresponding Flexible Spending Account (FSA) requests will be effective the first of the month following receipt of the FSA election request.

Due to a possible membership increase, adding a child to coverage may result in a premium increase. However, if family membership already exists, the premium will not increase, and the child can be added at any time retroactive to the date of birth or adoption, not to exceed 12 months.

## Pre-Adoptive Agreements

A pre-adoptive agreement is a document that states an authoritative body (such as a court of law, a licensed adoption agency, or DSS) is placing a child in the home of an individual under the supervision of that authority. The authority oversees the placement.

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Children who are placed for adoption under a private arrangement will not be deemed eligible for coverage under a state employee's membership until a court of law transfers legal custody to the prospective adoptive parent(s). The court of law serves as the authoritative entity in the case of a private pre-adoptive placement.

DHRM must determine that a pre-adoptive agreement meets uniform eligibility standards. This determination is made at the sole discretion of DHRM, which must review all related documents and authorize the enrollment of the child before coverage is effective.

Like a birth event, a child who is adopted or is living with the employee under a formal pre-adoptive agreement (which has been approved by DHRM for the purpose of determining eligibility) will be eligible for coverage effective the first of the month in which the adoption is finalized or the pre-adoptive agreement is approved by DHRM (assuming timely enrollment within the 60-day window).

## **Other Allowed Changes**

Under HIPAA, employees may enroll themselves, their legal spouse, and the newly-acquired dependent based on the event. The IRS cafeteria plan rules also allow other eligible children to "tag-along" with the enrollment.

**IMPORTANT:** HIPAA also allows a plan change based on this event. However, participants who have existing coverage and exercise their right to make a plan change due to this event should carefully consider the difference in coverage that will generally apply to covered family members on the effective date of the new membership. In the case of a newborn, this could mean that the claims related to the birth may have different out-of-pocket costs or network access.