

Terms and Conditions

Below are the Terms and Conditions for participation in group life, dental, vision, and health insurance coverage administered by the Department of Employee Insurance (DEI).

An Employee and Retiree (where applicable) may affix a signature to a paper copy of the KEHP Health Insurance Enrollment Application, the Group Life Insurance Application, the Group Dental or Vision Applications, or an electronic version of the applications. By typing your name on an electronic application or by logging in and using your unique KHRIS User ID and enrolling through the Employee Self-Service portal, you are agreeing to conduct enrollment in life, health, dental, and vision insurance coverage by electronic means, thereby creating a legal and binding contract, as well as consenting to receiving any and all records or disclosures in electronic form at the election of DEI or your employer as described in Section AA below. By affixing your signature in either manner, you understand and agree that:

A. PLAN YEAR. The 2025 Plan Year begins January 1, 2025 and ends at midnight on December 31, 2025.

B. EFFECTIVE DATE OF ELECTIONS. If you are electing a health plan, dental plan, vision plan, or a Flexible Spending Account (FSA) during open enrollment, the coverage will be effective January 1 of the following Plan Year. If you are a new employee or a newly eligible employee electing insurance coverage or an FSA outside of open enrollment, the FSA and your insurance coverage will be effective the first day of the second month after a new employee or newly eligible employee is eligible to enroll for non-commonwealth paid employees and up to the first day of hire for commonwealth paid employees. Employees enrolling in life insurance must be actively at work, full time, on the day the employee's insurance is scheduled to begin.

C. PLAN INFORMATION. You have read and understood the 2025 Benefits Selection Guide (BSG). Plan rules and limitations are contained in the KEHP Summary Plan Descriptions (SPD) or Medical Benefit Booklets (MBB) and the Summary of Benefits and Coverage (SBC). Life, dental, and vision insurance rules and limitations are outlined in Certificates of Coverage (CoC). All benefits for your eligible dependents and you will be provided in accordance with the rules and limitations in the SPDs, MBBs, BSG, SBCs, and CoCs. You will abide by all terms and conditions governing participation, membership, and receipt of services from the plan(s) in which you have enrolled and as set forth in the SPD, MBB, and CoC. In the event of a conflict between the terms of coverage stated in the SPDs, the MBBs, the BSG, the SBCs, and the CoCs, the terms of coverage stated in the SPDs or MBBs and CoCs will govern.

D. THIRD PARTY ADMINISTRATORS. DEI uses third parties, including Anthem, CVS/Caremark, HealthEquity, Castlight, SmartShopper, and Metropolitan Life Insurance Company (MetLife) to provide certain administrative functions. DEI may communicate with you directly or through these third parties about your insurance coverage, your benefits, or health-related products or services provided by or included in the Commonwealth's group health, dental, vision, or life insurance plans.

E. CROSS-REFERENCE. The cross-reference payment option for health insurance may be available to spouses who are both eligible to participate in KEHP and have at least one dependent. If your spouse and you are eligible and elect the cross-reference payment option for health insurance, you are planholders with family coverage. Upon a loss of eligibility by either spouse, the remaining planholder will default to a parent-plus coverage level. The cross-reference payment option ceases upon loss of eligibility or employment by either spouse/planholder. NOTE: Effective 1/1/2025, there will not be new cross-reference plans offered for newly eligible enrollees. Planholders with existing eligibility for cross-reference plans may have such eligibility extended past 1/1/2025.

F. DEPENDENT ELIGIBILITY. You certify that each enrolled dependent meets the dependent eligibility requirements as set forth in the SPDs, MBBs, and CoCs. DEI will require supporting documentation to verify the eligibility of any dependent enrolled or requesting to be enrolled in benefits. Spouses and step-children may be subject to periodic re-verification upon notice to you. Your failure to properly document dependent eligibility will result in the termination of the unverified dependent from your insurance plan(s).

G. CHANGING ELECTIONS. The elections indicated by your KEHP Health Insurance Enrollment Application, Group Dental or Vision Application, Group Life Insurance Application, or online enrollment may not be changed or cancelled during the Plan Year without a permitted Qualifying Event.

H. DEDUCTION FROM EARNINGS. When you enroll in insurance coverage (health, dental, vision, or life) or an FSA, you authorize your employer to deduct from your earnings the amount required to cover your employee contribution to the FSA and insurance coverage you elected, including any arrears you may owe. Deductions for FSA and the employee contributions to health, dental, and vision insurance are made on a pre-tax basis unless you sign a Post-Tax Request Form. Deductions for life insurance premiums are made on a post-tax basis.

I. PRIORITY OF PAYMENTS. Any moneys submitted to DEI that you intend to be used to fund your FSA or pay for insurance premium contributions may first be used to pay other priority debts that may be due and owing, such as taxes and child support.

J. CHILD AND ADULT DAYCARE FSA ELECTION AND CARRYOVER. If you choose a Child and Adult Daycare FSA, you are eligible to seek reimbursement, as authorized by 26 U.S.C. Sections 21 and 129, for dependent care expenses. You may elect to contribute up to \$2,500 (or \$5,000 in the case of an Employee who is married and filing jointly) into a Child and Adult Daycare FSA for Plan Year 2025. The Child and Adult Daycare FSA may only reimburse eligible dependent care expenses that are incurred during the applicable coverage period. Funds in your Child and Adult Daycare FSA may only be used to reimburse eligible child and adult daycare expenses and may not be refunded upon termination of the FSA for any reason. Funds contributed into a Child and Adult Daycare FSA will not carryover to the next plan year.

K. HEALTHCARE FSA ELECTION AND CARRYOVER. You may elect to contribute up to \$3,200 into a Healthcare FSA for Plan Year 2025 to pay for eligible health care expenses not paid for by your health insurance plan. Unused amounts of at least \$50 and up to a maximum of \$640 remaining in your Healthcare FSA at the end of the Plan Year will carry over to the next Plan Year and may be used to reimburse you for eligible expenses that are incurred during the subsequent Plan Year. You may use the Healthcare FSA carry over amounts whether or not you elect a Healthcare FSA for the subsequent Plan Year. Amounts over \$640 remaining in your Healthcare FSA at the end of the Plan Year are forfeited. All funds remaining in a Healthcare FSA account where there have been no new contribution elections for two consecutive Plan Years will be forfeited.

L. HEALTHEQUITY HEALTHCARE CARD. HealthEquity will administer FSAs and HRAs for the 2025 Plan Year and will issue a HealthEquity Healthcare Card to you for the payment of eligible Healthcare FSA and HRA expenses. Your HealthEquity Healthcare Card will be suspended if requested claim verification is not sent to HealthEquity within ninety (90) days after the card swipe. You agree to follow all rules and guidelines established by the Plan concerning the HealthEquity Healthcare Card. The Plan reserves the right to deny access to the card, require repayment, deduct/withhold from your paycheck, and offset your Healthcare FSA or HRA if you fail to verify a claim.

M. WAIVER HEALTH INSURANCE COVERAGE. If you elect to waive KEHP health insurance coverage, with or without a Waiver Health Reimbursement Arrangement (HRA), you are doing so voluntarily. If your employer participates in the Waiver HRA program, there are two options available: the Waiver General Purpose HRA and the Waiver Limited Purpose HRA. You understand that you will be eligible for the Waiver General Purpose HRA only if you have other group health plan coverage. You further understand that your spouse and eligible dependents, if applicable, cannot be covered under the Waiver General Purpose HRA unless your spouse and dependents also have other group health plan coverage.

N. WAIVER GENERAL PURPOSE HRA RULES. If you elect a Waiver General Purpose HRA, you declare that you and your spouse and dependents, if applicable, are enrolled in another group health plan that provides minimum value. A "group health plan" refers to coverage provided by an employer, an employer organization, or a union. A "group health plan" does not include individual policies purchased through the Marketplace or governmental plans such as TRICARE, Veteran's Benefits, Medicare, or Medicaid. A group health plan that provides "minimum value" means the plan pays at least 60% of the total allowed cost of covered benefits/services and participants or members in the plan are required to pay no more than 40% of the total allowed cost of covered benefits/services. If you elect a Waiver General Purpose HRA and cease to be covered under another group health plan that provides minimum value, you agree to notify KEHP within 30 days of the date that the other group health plan coverage ceased. In this event, coverage under the Waiver General Purpose HRA will be terminated and you may elect a KEHP health insurance plan option or the Waiver Limited Purpose HRA. Unused funds remaining in the Waiver General Purpose HRA upon termination are forfeited. You are permitted to permanently opt out of and waive future reimbursements from the Waiver General Purpose HRA at least annually at open enrollment.

O. HRA CARRYOVER. Waiver HRAs: Unused amounts up to and including \$2,100 remaining in your Waiver HRA at the end of the Plan Year may be carried over to the next Plan Year provided you are eligible to elect an HRA. CDHP Integrated HRAs: Unused amounts up to and including \$7,500 remaining in your CDHP Integrated HRA at the end of the Plan Year may be carried over to the next Plan Year. You must elect the same type of HRA in a subsequent Plan Year for the funds to carry over.

P. WAIVER HRA/FSA FUNDS AFTER TERMINATION. You may use funds remaining in a Waiver HRA or FSA after termination to reimburse you for eligible expenses incurred during the coverage period and prior to termination of the HRA or FSA. Upon termination of employment, including retirement, the remaining amounts in a Waiver HRA and FSA are forfeited, except that you may be reimbursed for any eligible expenses incurred prior to the last day of the last pay period worked, provided that you file a claim by March 31 following the close of the Plan Year in which the expense was incurred.

Q. HRA AND FSA EXPENSE REIMBURSEMENT. An HRA and/or Healthcare FSA may only reimburse you for medical expenses, as authorized by 26 U.S.C. Sections 105(b) and 213(d), that are incurred during the applicable coverage period. Federal law now permits you to use your HealthEquity card to pay for over-the-counter (OTC) medications, drugs, menstrual care products, and certain personal protective equipment such as face masks, hand sanitizer, and sanitizing wipes. The Waiver Limited Purpose HRA may only reimburse you for eligible dental and vision expenses. If you have an FSA and an HRA, funds for eligible expenses will be reimbursed from your FSA first before being reimbursed from your HRA.

R. HRA AND FSA RUN-OUT PERIOD. You have a 90-day run-out period (until March 31) for reimbursement of eligible FSA and HRA expenses incurred during the period of coverage.

S. MINIMUM ESSENTIAL COVERAGE. KEHP provides plan options that, under the Affordable Care Act, constitute minimum essential coverage that is affordable and provides a minimum value. As such, by receiving an offer of coverage through your employer, neither you, your spouse, nor your dependent(s) are eligible for a health insurance premium tax credit if purchasing insurance through the Marketplace.

T. COORDINATION OF KEHP HEALTH PLANS AND MEDICARE COVERAGE. In general, the three KEHP plan options and the Waiver General Purpose HRA must pay primary to Medicare. The Waiver Limited Purpose HRA pays secondary to Medicare.

U. LIVINGWELL PROMISE. Federal law allows KEHP to reward members who participate in the KEHP's LivingWell wellness program. In 2025, all four KEHP health plans are a part of the KEHP's LivingWell wellness program and require completion of the LivingWell Promise in order to receive premium discounts in Plan Year 2026.

If you fulfilled your LivingWell Promise in 2024, you will receive a monthly premium discount of up to \$40.00 in 2025. If you did not fulfill your LivingWell Promise, you will not receive a monthly premium discount in 2025.

If you elect a KEHP health plan in 2025, you must complete a Health Assessment provided by Castlight between January 1, 2025, and July 1, 2025, to receive a premium discount in 2026. If you are a new employee with a hire date after January 1, 2025 and you choose a LivingWell plan option outside of open enrollment, you will not be required to complete the LivingWell Promise to receive the premium discount in 2026.

V. INSURANCE DEPENDENT ELECTIONS AND PREMIUM REFUND. It is your responsibility to timely notify DEI that either your dependent or your spouse is no longer eligible for life insurance coverage. (See the eligibility provisions CoC for more information on eligibility). "Timely" notice means that you advised DEI that a dependent or spouse is no longer eligible for insurance coverage within 90 days of the loss of eligibility. Upon notice that a dependent or spouse is no longer eligible for insurance coverage, DEI will refund your premium back to the date that eligibility ceased, up to a maximum of 90 days.

W. HIPAA. You have rights under HIPAA regarding the protection of your health information. KEHP will comply with the HIPAA Privacy and Security rules, and uses and disclosures of your protected health information will be in accordance with federal law. KEHP may use and disclose such information to business associates or other third parties only in accordance with KEHP's Notice of Privacy Practices available at kehp.ky.gov (Resources/Docs, Forms, and Legal Notices link).

X. FRAUD WARNING. Any person who knowingly, and with the intent to defraud, files an application for insurance containing any materially false information (including a forged signature or incorrect signature date), or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act which is a crime. You can be held responsible for any fraudulent act that you could have prevented while acting within your duties related to obtaining employer-sponsored health, dental, vision, and life insurance, and it may be used to reduce or deny a claim or to terminate your coverage. Information contained in your life insurance benefit elections, if incorrect or misleading, may void the policy effective as of the date of issuance.

Y. ACKNOWLEDGEMENT. You have fully read these Terms and Conditions, the KEHP Legal Notices, and the KEHP Tobacco Use Declaration. Your signature on the KEHP Health Insurance Enrollment Application, the Group Dental or Vision Applications, the Group Life Insurance Application, or your electronic signature used for online enrollment certifies that all information provided during this enrollment opportunity is correct to the best of your knowledge.

Z. EXCEPTIONS MAY APPLY. Exceptions may apply to employees of certain employers participating in KEHP's health plan and the Commonwealth's group dental, vision, and life insurance benefits. Exceptions may also apply to TRS, KPPA, KCTCS, LRP, and JRP retirees. Please refer to the participation rules of your employer or retirement system for further information.

AA. CONSENT TO ELECTRONIC DISCLOSURES. You consent to receiving any and all communications, including records, disclosures, or coverage information (or any portion of the same) in electronic form, including by email or through KHRIS, at the election of DEI, the Insurance Coordinator/Human Resource Generalist communicating on DEI's behalf, or a vendor utilized by DEI or your employer for the administration of your insurance benefits. You may still receive paper documents from time to time, or may be required to complete and sign paper documents. You also acknowledge that you may print or save any electronic communication or agreement for your records and later review. You must have access to a computer and web browser that is sufficiently up to date to access the KEHP/KHRIS website and access to an email that accepts external email. You may request a paper copy of any electronic record or disclosure by contacting your employer's insurance coordinator. A fee may be charged for each paper copy. You may withdraw consent to obtain electronic records and notices by contacting your employer's insurance coordinator with the request and filling out any necessary form.