

# YOUR RIGHTS AND RESPONSIBILITIES UNDER HEALTH CARE REFORM

## Federal Health Care Reform, Rescission of Coverage

The federal health care reform bill enacted new restrictions on an Employer's rescission of coverage. OEGB will implement the new restrictions effective October 1, 2010.

**"Rescission" can be simply defined as: The retroactive cancellation of a health insurance policy.**

Under the new restrictions, a rescission (retroactive cancellation) by the employer is illegal except in cases of fraud or intentional misrepresentation of material fact as prohibited by the terms of the plan or coverage.

## When can OEGB health insurance be cancelled retroactively?

### Failure to Report Eligibility Change

If you, your spouse, domestic partner or other dependent no longer meets eligibility criteria, you must notify your Educational Entity within 31 days of the loss of eligibility.

Some examples of this may include:

- retirees and/or their dependents who become eligible for Medicare
- loss of a spouse through death or divorce
- loss of a domestic partner through death or termination of domestic partnership
- loss of a dependent through death, divorce, or termination of domestic partnership

**OEGB considers failure to notify your Educational Entity of loss of eligibility within 31 days to be intentional misrepresentation and grounds for retroactive termination of coverage.**

The affected individual's coverage will be retroactively terminated to the end of the month in which eligibility was lost. A 30 day notice will be sent to the affected

individual(s) prior to cancelling coverage retroactively.

### Failure to Pay Premium

If you are responsible for paying any portion of your insurance premium using a method other than payroll deduction\*, **OEGB can retroactively terminate coverage in the case of non-payment.** Retroactive terminations for failure to pay premiums or contributions are not rescissions. Coverage will be terminated on the last day of the month for which premiums were paid in full.

\*If you pay your portion of the premium through payroll deduction, you authorized this deduction for the entire plan year at the time you enrolled. You can only drop coverage mid-year if you experience a qualified status change (QSC) and notify your Educational Entity within 31 days of the event.

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**If you have questions about these new restrictions, please contact OEGB Member Services by phone: (888-469-6322) or email: (OEGB.benefits@state.or.us).**