



## Town of Lexington Human Resources Department

Denise Y. Casey  
Human Resources Director  
dcasey@lexingtonma.gov  
Tel: (781) 862-0500 x261  
Fax: (781) 861-2921

Brian F. Higgins  
Benefits Coordinator  
bhiggins@lexingtonma.gov  
Tel: (781) 862-0500 x288  
Fax: (781) 861-2921

### ***Health Insurance Gap Period for Newly Hired Employees “Hiatus Period Stipend”***

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#### **Overview:**

Your Group Insurance Commission (GIC) health benefits will commence on the first day of the month following sixty (60) calendar days from the first date of employment, or two (2) calendar months, whichever comes first. For questions on the exact day your GIC coverage will begin, please contact the Town Human Resources Department.

To help mitigate your cost of private pay or COBRA insurance during this gap period, the Town of Lexington has established a “Hiatus Period Stipend.” This agreement was established in cooperation with the Public Employee Committee (PEC).

#### **How It Works:**

- 1) Within ten (10) calendar days of hire, complete the GIC required forms and documents to select a GIC health plan. Return these forms to the Human Resources Office. *School Employees – please return all of your forms to the School Human Resources Office.*
- 2) Complete this Hiatus Period Stipend Enrollment form. Additionally, you must prove that you are covered during the hiatus period under an alternative health insurance policy *and* you must prove that the monthly premium for the alternative policy has been paid in full (i.e. provide a canceled check, bank statement, etc.).

The amount of the Hiatus Period Stipend will be equal to the employer portion of the monthly premium cost for the GIC plan you choose **or** the monthly cost of your alternative coverage – **whichever is less.**

*Example: Joe Smith chooses Harvard Pilgrim Independence – Individual (\$556.38 per month for Town cost) for his new GIC coverage. His first day of work is September 1, but his health benefits do not start until November 1. He currently pays into a COBRA plan.*

*Since he has chosen Harvard Pilgrim Independence – Individual and meets all of the other requirements for Hiatus Reimbursement, he will receive \$1,112.76 for two months of the Town’s regular contribution rate for Harvard Pilgrim Independence – Individual (85% of total plan cost).*

3) After submitting all required documents, the Human Resources Department will send your approved claim to the Finance Department.

4) The Finance Department will issue you a reimbursement check (separate from your paycheck) on the next accounts payable warrant.

**Caveats:**

Please review the following sections of the PEC agreement for two caveats:

21C. GIC Retroactive Effective Date of Coverage:

Subscribers may request retroactive coverage from the GIC in accordance with 805 CMR 9.01 (4). Therefore, if a subscriber incurs unplanned and urgent medical expense(s) during the “Waiting/Hiatus Period” that in sum exceeds the full-cost of health insurance premiums of the GIC’s elected plan for the “Waiting/Hiatus Period,” the subscriber may file a written request to the GIC for approval of health coverage to become effective on the first day of employment. Upon approval by the GIC, coverage shall take effect as of the first day of employment. In this event, the Town shall submit the full-cost of health insurance premium for the “Waiting/Hiatus Period” to the GIC in a timely manner. The employee shall reimburse the Town his/her proportional share of the premium and any “Waiting/Hiatus Period Stipend” amount already received through normal payroll deductions.

21D. Modification of the “Waiting/Hiatus Period”:

The provisions of subparagraphs A, B and C shall be modified if and when the GIC modifies the “Waiting/Hiatus Period”.

*For a full description of the Hiatus Period, please see the Memorandum of Agreement between the Town of Lexington and the Lexington Public Employee Committee, Section 21. These are available in the Town Human Resources Office.*

**Hiatus Period Health Insurance Coverage**  
**Stipend Enrollment Form**

Please fill out the following information. We also require you to submit proof of COBRA plan enrollment (i.e. a bill from the medical company), as well proof that you have paid for the plan (i.e. a copy of bank statement or  *canceled*  check, both available from your bank upon request).

As long as you have proof of payment and coverage, you may return this form at anytime.

**If you plan on requesting reimbursement for additional months not listed here, please submit a new form and supplemental materials when request is ready. PROOF OF COVERAGE FOR EACH MONTH REQUESTED IS REQUIRED.**

Last Name: \_\_\_\_\_ First Name: \_\_\_\_\_

Department: \_\_\_\_\_ Date of Hire: \_\_\_\_\_

GIC Eligibility Date: \_\_\_\_\_

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(For office use only)

Human Resources Approval: \_\_\_\_\_

GIC Plan Employee Selected: \_\_\_\_\_

Town Monthly GIC Contribution: \$ \_\_\_\_\_ COBRA Plan Monthly Cost \$ \_\_\_\_\_

Amount to be Paid: \$ \_\_\_\_\_ x \_\_\_\_\_ months = \$ \_\_\_\_\_

Employee ID: \_\_\_\_\_

**Finance Department: Use General Fund Health Appropriation #1009450151905**

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If you have any questions, please contact to the Town Human Resources Office:

**Monday – Friday 8:30 A.M. – 4:30 P.M.**

Denise Y. Casey, Human Resources Director, at x261 or [dcasey@lexingtonma.gov](mailto:dcasey@lexingtonma.gov)

Brian F. Higgins, Benefits Coordinator, at x288 or [bhiggins@lexingtonma.gov](mailto:bhiggins@lexingtonma.gov)