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MANAGEMENT ADVISORY #09-019

DATE: September 1, 2009
TO: Personnel Officers and Benefit Coordinators
FROM: Suzetta Furlong, Manager
SUBJECT: Drop to Individual Coverage Outside of QSC Window

Historically, we have only allowed participants enrolled in family coverage to drop to individual coverage if they reported their QSC event within the 31-day QSC period. However, per guidance from our tax attorney, a prospective change can be allowed to save both the participant and the state future deductions, even if the participant missed the 31-day window.

The ineligible dependent will be dropped on the date of ineligibility, but the coverage level will only be changed prospectively. For example, a dependent is ineligible February 5 due to divorce, but the participant does not notify the service center until April 4. The service center will take the following steps:

1. Change the participant to individual coverage effective May 1 (the first of the month following notification), provided there are no other eligible dependents that require coverage.
2. Remove the dependent from coverage the end of the month following the ineligibility date. In this example, the dependent was ineligible effective February 5 due to divorce, so the end date is February 28 for the ineligible dependent.
3. Notify the carrier in case ineligible claims were processed.

For the complete policy clarification on this issue, please visit our [Web site](#) and see PC 09-004.