



# UK Benefits and the Affordable Care Act

Department Chair Meetings  
June, 2015



# How does ACA impact UK Benefits eligibility?

Effective at the start of the new benefits plan year on July 1, 2015, more UK employees become eligible for the UK health credit.

Benefits Structure	Coverage Level	Monthly Rate*	UK Credit	Monthly Cost to Employee
UK-HMO	Employee Only	\$499	\$471	\$28
	Employee + Child(ren)	\$747	\$613	\$134
	Employee + Spouse	\$996	\$735	\$261
	Employee + Family	\$1,247	\$862	\$385
UK-RHP Regional Health Plan	Employee Only	\$499	\$471	\$28
	Employee + Child(ren)	\$747	\$613	\$134
	Employee + Spouse	\$996	\$735	\$261
	Employee + Family	\$1,247	\$862	\$385
UK-PPO	Employee Only	\$499	\$471	\$28
	Employee + Child(ren)	\$747	\$613	\$134
	Employee + Spouse	\$996	\$735	\$261
	Employee + Family	\$1,247	\$862	\$385
UK-EPO	Employee Only	\$635	\$471	\$164
	Employee + Child(ren)	\$952	\$613	\$339
	Employee + Spouse	\$1,271	\$735	\$536
	Employee + Family	\$1,589	\$862	\$727

## *What is the UK health credit?*

A subsidy that UK pays toward eligible members' monthly health plan premium. Many employees already receive the UK health credit.



**UK health  
credit eligibility**

**Part-time faculty  
eligibility**



**Enrollment  
timeline**





# UK health credit eligibility

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# ..... **Currently eligible for UK health credit** .....

All currently eligible will remain eligible:

- **Regular full-time employees (.75 full-time equivalency (FTE) and above)**



## ..... Newly eligible for UK health credit .....

The following **STEPS** and other temporary employees, including part-time instructors (PTI) will be eligible effective for the plan year beginning July 1, 2015:

- work at least a **.75 FTE assignment or greater**
- work multiple **assignments totaling .75 FTE or greater**
- who have worked on average of **30 hours or more per week over the prior year** (annual measurement period to occur – April 1, to March 31)



# How is FTE determined for PTIs?

We are using a standard measurement under a 4/4 methodology:

<u>Teaching Load</u>	<u>FTE</u>
3 credit hours	.25
6 credit hours	.5
9 credit hours	.75
12 credit hours	1.0



## What about...?

### **Non-teaching PTI's**

Department chairs and deans will need to determine how many “hours” the employee is working to derive the FTE.

*Eligibility is determined by FTE in the payroll system (SAP).*





## What if...?

### **An employee drops below .75 FTE?**

Attaining or losing the .75 FTE status will be a qualifying event, triggering the gain or loss of the credit.

*At the time the .75 or above FTE is lost, so is the credit unless the employee averaged 30 hours the past year.*

### **An employee no longer averages 30 + hours / year?**

Coverage will be locked in for the duration of the plan year.

*Employees will lose eligibility for the following plan year if data from most recent 1 year measurement period shows < 30 hrs. worked*



# Part-time faculty eligibility

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# PTI lifecycle schedule

<u>Semester</u>	<u>Hire Date</u>	<u>Separation Date</u>
Fall	August 1	December 31
Spring	January 1	May 31
4 Week	May 1	May 31
8 Week	June 1	July 31

\*If a department expects a PTI to have a .75FTE assignment for the fall semester, they can put the PTI on “leave without pay” for June and July if they are not teaching two classes in 8 week. Otherwise COBRA will apply.



# Examples: who is eligible?

PTI	Hire Date	Course load per semester / FTE	Hire for Next Semester	Eligible for Summer Leave	Separation Date	Eligible for UK health credit?
Ex:1	August 1	COM 181; COM 201; COM 250= 75% FTE	Yes= spring; No= 8 week; Yes= next fall	Yes-If PTI will teach for next Fall and class has a predictability for reoccurrence	N/A	<b>Eligible</b> (August -December 2016)
Ex:2	August 1	COM 181; COM 201; COM 250= 75% FTE	Yes= spring; No= 8 week; No= next fall	No	May 31	<b>Eligible</b> (August - May)
Ex:3	August 1	COM 181; COM 201; COM 250= 75% FTE	Yes= spring; Yes= 8 week;	No	July 31	<b>Eligible</b> (August - July)
Ex:4	January 1	COM 181; COM 201; COM 250= 75% FTE	No= 8 week; Yes= fall; No= next spring	Yes-If PTI will teach for next Fall and class has a predictability for reoccurrence	December 31	<b>Eligible</b> (January - December)
Ex:5	June 1	COM 181= 100% FTE	No= fall	No	July 31	Not eligible Due to status as seasonal employee <i>if they only work summer</i>
Ex:6	June 1	COM 181=100% FTE Summer; COM 181=25% FTE Fall	Yes= fall	No	December 31	<b>Eligible</b> (June - July)
Ex:7	August 1	COM 181; COM 201= 50% FTE	Yes= spring	No	May 31	Not eligible due to FTE status



# What is COBRA?

COBRA = Consolidated Omnibus Budget Reconciliation Act of 1985

Allows former employees to extend coverage for up to 18 months (dependents up to 36 months).

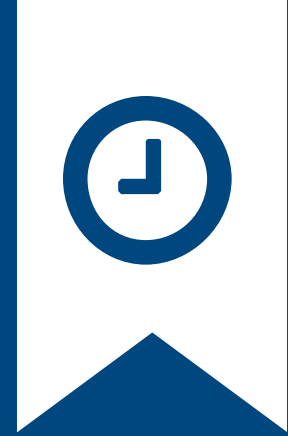
- They pay 102% of monthly premium
- 60 day period to elect COBRA
- Coverage is retroactive to date of coverage end date.



## Example use case for COBRA

### Example PTI with separation date of May 31

- Existing coverage through UK ends on May 31
- PTI would be notified in early June of COBRA and have 60 days to elect coverage retroactive to June 1.
- PTI would try not to use insurance (e.g. prescriptions) and utilize urgent treatment clinics to avoid higher cost claims and having to elect COBRA and pay \$508.98 (UK-HMO) per month.



# Enrollment timeline

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○ 2015

2015  
June

★ Special Enrollment

□ New PTI Enrollment

August

2016  
April -  
May



Open Enrollment





# ★ Special Enrollment Period

All eligible employees will be notified in late May, after OE, of their eligibility and will be provided a “special enrollment” period from June 1 - June 30, 2015.

○ 2015

June

August  
(New PTIs)

Which credit-eligible groups may enroll?

## Those eligible due to FTE status:

- Temporary employees with .75 FTE or greater (includes PTIs teaching 2 classes in 8 week)
- Regular part-time and temporary employees with assignments totaling .75 FTE or greater

## Those eligible due to hours worked:

- Regular and temporary employees who worked on average of 30 hours per week over the prior year (April 1, 2014 to March 31, 2015)



## New Employee Enrollment

New employees have the ability to enroll in any benefits they are eligible for within the first 30 days of their service date.

any time  
a new  
employee  
is hired

Which credit-eligible groups may enroll?

### Those eligible for health credit due to FTE status:

- Regular full-time employees (.75FTE or greater)
- Temporary employees with .75 FTE or greater (includes PTIs teaching 3 classes (fall, spring))
- Regular part-time and temporary employees with assignments totaling .75 FTE or greater

PTIs  
August,  
January,  
May,  
June



## Open Enrollment

Annual data analysis and measurement period will be in place so that all employees who become eligible for the health credit due to hours worked will be notified prior to Open Enrollment.

○ 2016

April-  
May

### Which credit-eligible groups may enroll?

#### Those eligible due to FTE status:

- Regular full-time employees (.75FTE and above)
- Temporary employees with .75 FTE or greater (includes PTIs teaching 3 classes (fall, spring))
- Regular part-time and temporary employees with assignments totaling .75 FTE or greater

#### Those eligible due to hours worked:

- Regular and temporary employees who worked on average of 30 hours per week over the prior year (April 1, 2015 to March 31, 2016)

# Questions?

