

AFFORDABLE CARE ACT (ACA) FREQUENTLY ASKED QUESTIONS

E-mail us: BenefitsInsider@calstate.edu



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ACA Eligibility

1. If an individual is hired February 1 and is working full time (e.g., working over 130 hours per month) for 3 months, would he/she be considered eligible for ACA health benefits?
 - o Yes, which means the campus must offer health benefits. Remember, benefits are only in effect after action is taken (e.g., first of the month following the selection).
2. If an individual is deemed eligible for ACA health benefits, what happens if he/she fails to respond?
 - o Language will be added to the benefits worksheet stating "If an employee takes no action, then they are agreeing by default to decline benefits. For each appointment, we are required to report to the IRS on benefits offered, benefits not offered, benefits accepted, or benefits not accepted. **Employees should know up front that if they fail to respond, it will be noted as a decline of coverage as indicated on the PeopleSoft-generated benefits worksheet in Baseline.**
3. Do the CalPERS "90-day late enrollment" rules apply to individuals deemed ACA eligible for health benefits?
 - o Yes, according to CalPERS, they are treated like any other benefit eligible employee.
4. If an employee who was deemed benefits eligible under ACA didn't respond to the offer of benefits within the 60 days window, and later has a loss of non CSU coverage, and then wants to enroll in medical, how are they treated?
 - o They can make an election to enroll in ACA benefits from CSU. The loss of non-CSU coverage is considered a qualifying event or change-in-status. They would not be subject to a waiting period before ACA benefits coverage begins.
5. Do we offer benefits to rehired annuitants?
 - o Pursuant to CalPERS Circular Letter #600-061-14, health benefits are considered a benefit for the purposes of GC sections 21221, 21224, and 21229 and therefore CSU is prohibited from offering health benefits.
6. Are Bridge Student Assistants (Class 1874) eligible for ACA benefits?
 - o Bridge Student Assistant's hours are limited by policy to 20 hours of service per week during academic terms and up to 40 hours per week during non-academic (summer) terms. However, to be appointed as a bridge student classification in the summer, the student must be enrolled at least half-time in the previous academic term and registered for the following academic term. Therefore, the bridge student's hours will be tracked in the 12-month measurement period (look-back). If the hours meet the 130 hour threshold, ACA benefits should be offered.

CalPERS

1. What is the name of the "document" CalPERS is requiring CSU to maintain for individuals that are deemed ACA eligible for benefits?
 - o The name of the document is the "Employer Designation Template for a Variable-Hour Employee Meeting the Definition of "Employee" Under PEMHCA". Employers are required to complete and maintain a copy of the form only if the employee enrolls in health benefits. G.C. 22772 (a)(6)(B) specifies a written designation is required.

COBRA

1. Are campuses required to send COBRA notices to ACA eligible employees that separate employment?
 - o Yes, COBRA must be offered if the employee was covered under the group health plan on the date of separation. COBRA would not be offered if benefits were not effective (e.g., the employee separated employment prior to day the benefits were in effect).
2. Employees that are deemed eligible for ACA health benefits and later terminate employment, will they be eligible for COBRA?
 - o Yes, the process will be the same that is currently used today for employees that meet the 'standard' or "AB211" eligibility and separate employment.
 - o COBRA is offered so the employee can continue health coverage that is currently effective.
3. If an employee is hired to work 135 hours per month for an appointment less than six months and hours drop below 130 hours per month, what happens to his/her health benefits?
 - o The employee would no longer be eligible for health benefits and would be offered COBRA.

Flex Cash

1. Is the CSU offering flex cash to employees who are eligible for ACA benefits?
 - o Yes, if the ACA eligibility requirement of a .75 timebase/FTE or working 130 or more hours per month is met, the employee would be eligible for flex cash in lieu of coverage. However, the eligibility requirements for flex cash must be met.

Health Premiums

1. For hourly individuals that become eligible, would an AR be setup to collect health premiums?
 - o It depends. For hourly individuals that become eligible based on the look back period, they must be in an active status to receive benefits. For individuals without enough salary to cover benefit premiums, an AR will need to be setup to collect premiums.

Hours Tracking

1. Does paid OT count toward hours worked for look back?
 - o Yes, overtime would be included since these hours are reported.
2. Does "comp time" (CTO) earned count and does "comp time" taken count again? Employees earn CTO time and take CTO time. Do we count both?
 - o No, it would have to be CTO that is actually paid out. The measurement period would not count unused CTO hours as credit toward the 130 hours average. Similar to how the other paid leaves would be viewed under the measurement period. For example, if an employee misses work due to taking a vacation, the record will reflect those hours as paid. The unused vacation time would not matter in terms of ACA.

IRS Reporting

1. What is the process for assigning the IRS Indicator codes?
 - o This will be an automated process through PeopleSoft BenAdmin process, and each employee will be assigned an IRS Indicator code. – More information is forthcoming.
2. Will Campuses be responsible for reporting to the IRS?
 - o No. The SCO is reporting to the IRS on CSU's behalf. SCO will be given a monthly file that they will use to report to the IRS.

Administration Period

1. Can you clarify Administration period activities and timelines?
 - o There are two measurement periods to consider: ongoing (annual) and new hire. The ongoing measurement period has an administration period of approximately 60 days, whereas the new hire measurement period has an administration period of just one month. This is because the combined measurement and admin period for new hires cannot exceed 13 months per ACA regulations.

Measurement Periods

1. What is the difference between the “ongoing” and “new hire” measurement periods?
 - o **Ongoing:** occurs annually and benefits are effective January 1 following the defined measurement period. For example, the first “ongoing” measurement period is November 2013 – October 2014 (to be included in this measurement period, employees must have a hire date on or before the first day of the November 2013 pay period); health benefits are effective January 1, 2015 in this example.
 - o **New Hire:** occurs 12 times per year based on the month following the employees’ date of hire (for new hires who are not considered full-time from their start date). The effective date of coverage depends on the calendar month of employment (see chart referenced in ACA Implementation Guide Appendix G). For example, in the case of an employee hired February 10, 2014, the measurement period will be March 2014 – February 2015; health benefits are effective April 1, 2015.
2. Why would an employee who is eligible for benefits under “standard” or “AB 211” eligibility show up on the measurement (look-back) report?
 - o An employee may show up because he/she does not have a current health deduction. While this individual was previously offered medical benefits, you may or may not have an HBD12a on file. If you have previously identified this individual as meeting the “standard” or “AB 211” eligibility, you will not have to extend an offer of ACA coverage. There will be a separate communication regarding how these individuals will be captured in PeopleSoft.

Stability Period

1. What is the stability period?
 - o The stability period immediately follows the administration period and is for 12 months. The stability period represents the length of time that an employee is treated full-time for purposes of ACA benefits eligibility, based on the most recent measurement (look-back) period. If benefits are accepted by the employee, they will be effective for the 12 months provided the employee is in an active appointment.