University of Illinois

PATIENT PROTECTION AND AFFORDABLE CARE ACT (PPACA):
TRACKING AND MEASURING WORK HOURS

FAQs

1. **What is the Patient Protection and Affordable Care Act (PPACA)?**
   The PPACA is a federal health care reform law that, among other things, requires employers to offer health insurance coverage to employees who work on average 30 hours or more per week. More details are available in NESSIE. Additionally, PPACA requires the University to complete complex annual reporting to the IRS. These requirements make it critically important for the University to be able to track the hours worked by all employees.

2. **Does PPACA require any eligibility changes for employees who are already eligible for health insurance coverage under the Illinois State Employees Group Insurance Program (SEGIP) administered by Central Management Services (CMS)?**
   No, there are no PPACA-related eligibility changes for employees who are already eligible for the State of Illinois SEGIP health plans. The State of Illinois offers health insurance to faculty and staff who meet the eligibility criteria for the Illinois State Employees Group Insurance Program (SEGIP). If you remain eligible for and/or covered by a SEGIP health plan, then the remainder of these FAQs may be of little interest to you.

3. **What does "Variable Hour Employee" mean?**
   Variable hour employees work for the University on a temporary, intermittent, or irregular basis and are not eligible for the SEGIP/CMS plan. They typically work less than 30 hours per week on average, but their work hours may vary from week to week. Variable hour positions at the University of Illinois may include: extra help, seasonal, hourly student employment (undergraduate or graduate), hourly faculty/clinical/research, and adjunct or temporary faculty.

4. **What is the standard measurement (or "look back") period?**
   The standard measurement period is an annual time frame during which the University will "look back" to determine if a *variable hour employee* averaged 30 or more hours per week. The standard measurement period will be from October 3rd of one year through October 2nd of the following year.

5. **Why does the standard measurement period start October 3?**
   The University needs to track hours during the measurement period (October 3rd – October 2nd) to determine eligibility, and then have another period of time – an administrative period – to offer the coverage to and enroll eligible employees. In order to provide coverage that is effective as of January 1st, the measurement period must end October 2nd to allow for a 90 day administrative period from October 3rd to December 31st. Finally, the stability period runs January 1 to December 31, during which an eligible, enrolled employee retains coverage. This measurement period look-back process will be repeated annually.

6. **Will the measurement period always remain the same each year?**
   Because this process will occur annually, we do not currently expect that the measurement period will change. However, as we navigate through the first set of measurement, administrative and stability periods, we will continue to evaluate whether these dates are the most appropriate. For newly hired employees, the measurement period will correspond with their start date.

7. **At the end of the measurement period, if a variable hour employee is determined to be eligible for an offer of health insurance, will s/he be offered coverage through a SEGIP plan?**
Generally, no. The eligibility criteria for SEGIP coverage is set by State of Illinois law. A variable hour employee can only be offered SEGIP coverage if s/he has a job change that would meet the eligibility criteria for the SEGIP coverage. The University will offer a separate plan, the RSL BasicCare plan, to employees who are not eligible for the CMS/SEGIP insurance, but who average 30 or more hours per week.

8. **How will the University determine if variable hour employees are eligible to be offered RSL BasicCare?**
The University will track the hours for which a variable hour employee is paid or entitled to payment during the measurement period. This means it is critical for variable hour employees to report their hours worked in an accurate and timely manner. If a variable hour employee is not paid on an hourly basis, then the unit must use an alternate approved method for attributing hours. Please contact your campus/central HR office for assistance in determining the most appropriate employment category and/or pay arrangement.

9. **What is a stability period?**
A stability period is the time period where coverage for variable hour employees is guaranteed to continue, regardless of the number of hours worked, as long as employment continues and the employee pays any applicable employee contribution for coverage. The annual stability period runs January 1 – December 31. New hires will have a different stability period corresponding with their start date.

10. **Does tracking hours apply to employees who already have other health insurance coverage (i.e., purchased through the State Marketplace, under a spouse's plan, or provided by Medicaid)?**
Yes. The University is required to track hours for ALL employees, because the University's obligation to offer coverage under PPACA exists independent of any coverage that an employee may have from another source.

11. **Does tracking hours apply to STUDENT employees who have coverage under the University's Student Health Insurance plan (or coverage on their parent's plan)?**
Yes. Student Insurance (or coverage under a parent's plan) satisfies a student employee's individual responsibility to carry coverage, but it does not satisfy the University's obligation to offer *employer* coverage if the student averages 30 or more hours per week. The University must also offer the RSL BasicCare program to student employees who meet the hours threshold. A student does not have to accept this coverage and may decline the offer, but the University is still required to offer the coverage if the student employee is eligible.

12. **How are hours quantified for those currently paid by project (i.e., lump sum or one-time payment)?**
As of January 2015, all pay for service arrangements must have hours worked associated with the payment to assist the University in meeting its federal reporting requirements under the PPACA. This means:
    A. The "one-time payment" option may not be used when paying for services rendered as an employee.
    B. An employee may not be paid **solely** via a "lump sum" as the only job or form of payment.
    C. Lump sum payments are permitted only when the employee already has a regular appointment that would be (a) 37.5 hours/week with an FTE equal to or greater than 80%, or (b) 40 hours/week with an FTE equal to or greater than 75%.
    D. An hourly paid employee, including extra help, undergraduate hourly, graduate hourly, and hourly faculty/clinical/research, may not receive a lump sum payment.

    Please contact your campus/central HR office for assistance in determining the most appropriate employment category and/or pay arrangement for project work.

13. **Does the University track hours for retirees (SURS annuitants) who return to work at the University?**
    Yes. The University must track hours for retirees who return to work, subject to applicable policies, in the same way that hours are tracked for other active employees.

14. **Does the University track hours for independent contractors?**
    No. As long as these individuals meet the IRS requirements and campus guidelines to be classified as an independent contractor, the University does not need to track their hours. The University only has to report hours for University of Illinois employees, not for independent contractors.

15. **Is the University required to track hours for jobs employees work outside of the University?**
    No. The University only has to track the hours for which a University of Illinois employee is paid or entitled to payment by the University of Illinois.