

## Policy 3.520B: Addendum B – Health Insurance Offers under the ACA

### Overview:

The RCUH provides employees with an affordable medical plan if they meet the eligibility requirements as defined in the Internal Revenue Code (“Code”) Section 4980H pursuant to the Federal Patient Protection and Affordable Care Act (PPACA or otherwise known as the Affordable Care Act or ACA). All offers of health coverage to employees (both enrolled and waived) are reported annually by the RCUH to the IRS.

Pursuant to the ACA, the RCUH identifies any employee (other than Regular-status employees 50% FTE or higher), who works at least 130 hours in a calendar month as eligible for medical insurance benefits. The RCUH must offer these employees an affordable medical plan coverage, which is the lowest costing, single-rate coverage. If the employee decides to enroll in this affordable RCUH medical plan, then the employee’s hourly rate must be adjusted to the prevailing ACA minimum ACA wage rate to meet the ACA compliance requirements.

If an employee is offered coverage and elects to waive coverage, RCUH HR must have a signed waiver form on record for every offer (including open enrollment).

### Applications:

Regular-status, Non-Regular, and Relief employees are eligible for health insurance offers under Policy 3.520. This Addendum is applicable to Non-Recruited employees only.

### ACA Eligibility Requirements for Medical Insurance Coverage:

1. Non-Recruited Temporary and Student Hires: 75-100% FTE upon hire in to position
2. Non-Recruited Employee who records 130 work hours in a calendar month
3. Effective start date
  - a. New Hires (hired between the 1<sup>st</sup> and 20<sup>th</sup> of the month): First day of the month following hire date
  - b. New Hires (hired between the 21<sup>st</sup> of the month to the last day of the month): First day of the second month following hire date
  - c. Post-hire (130 hours): Refer to coverage date on ACA offer notice

### Responsibilities:

- A. RCUH Human Resources
  - a. Inform Employee and PI when an employee becomes ACA Eligible
  - b. Enroll employee in lowest costing, single-rate coverage medical plan unless the employee waives coverage
  - c. Report all offers of health coverage to the IRS
- B. Principal Investigator
  - a. Adjust hourly rate (if necessary) for employees who accept ACA medical insurance coverage upon determination of eligibility

- b. The RCUH and employee share the cost of the health plans. The employer's share of the health premium (60% of the monthly premium) is charged to the project from which the employee's salary is paid. The employee's share (40%) is collected as a pre-tax deduction.
  - c. Notify Fiscal Administrator of additional fringe charges, if applicable.
- C. Employee
- a. Once informed of ACA Eligibility, inform RCUH of intent to waive (via Waiver Form returned to RCUH by due date) or accept coverage. A response (accepting coverage or waiving coverage) is a condition of employment and employee will have until the stated deadline provided to respond or corrective action including and up to possible termination will occur.

**Details of Procedure:**

- A. RCUH to Offer ACA Health Insurance: Notice to Employee (with copy to: PI/Project contacts)
- B. Employee to provide response within stated deadline:
  - a. ACCEPT COVERAGE– Deductions will occur in the pay period prior to the month of coverage
    - i. Eligible dependents: Under the ACA, eligible dependents are defined as an individual who is a child, stepchild, legally adopted child, and a child who is lawfully placed with the employee by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. Proof of relationship must be provided prior to enrollment. Spouses or domestic partners are not considered eligible dependents under the ACA.
    - ii. If employee pay rate needs to be changed to comply with the IRS affordability requirement, RCUH HR will notify the PI with action needed
  - b. WAIVE COVERAGE – Employee must submit the RCUH Health Insurance Waiver Form as an acknowledgement of the offer of employer-sponsored health coverage.
    - i. By signing the waiver form, the employee acknowledges their ineligibility for the Premium Tax Credit if applying through the Federal Health Insurance Marketplace since medical coverage was offered through RCUH (employer sponsored coverage).
    - ii. Failure to respond: A response is a condition of employment and failure to respond may result in corrective action including and up to possible termination.
- C. Cancellation of Medical Coverage:
  - a. Voluntary Cancellation/Waive: Upon enrollment, employees may cancel medical insurance coverage at any time for an effective date determined by RCUH Human Resources. Re-enrollment would only be allowed if there were another qualifying event, or during Open Enrollment, if still eligible.
  - b. Coverage will continue until the position terminates or until RCUH is unable to deduct the monthly premium from an employee's pay. Employee and qualified dependents will be issued a COBRA continuation of coverage notice.
    - i. Low Earnings: If an employee who is enrolled in ACA medical coverage does not have enough earnings in the pay period that the medical insurance deduction occurs for low/no earnings or for no eTimesheet processed (pay period from the 16<sup>th</sup> – end of the month), they will be terminated from coverage on the last day of the month and will be issued a COBRA notification.

- ii. Status after ACA medical is end-dated for low/no earnings: Employees enrolled in coverage whose benefit was end-dated or canceled due to low/no earnings are considered ineligible for ACA medical and will not be automatically enrolled upon return to work but must meet the 130 work hours in a calendar month to be re-eligible for a new offer.

**Contact:**

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**Relevant Documents:**

- [Policy 3.210 Hiring Options through RCUH](#)
- [Policy 3.211 RCUH Student Employment](#)
- [Policy 3.330 RCUH Pay Schedules](#)
- [Policy 3.520 RCUH Health Plans](#)
- [ACA Offer + Enrollment Form](#)
- [ACA Plan: Rate Sheet](#)

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