TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

Operating Policy and Procedure

HSC OP: 70.05, **State and Federal Group Insurance Benefit Plans**

PURPOSE: This Health Sciences Center Operating Policy (HSC OP) establishes the Texas Tech University Health Sciences Center's (TTUHSC) state and federal insurance benefit programs.

REVIEW: This HSC OP will be reviewed on August 15th of every year (EY) by the Vice President, and Chief Human Resources Officer, with recommendations for revisions forwarded to the Executive Vice President and Chief Operating Officer.

POLICY: This OP is designed as a brief overview of the state and federal insurance plans provided under the State of Texas Group Benefits Program (GBP) and other TTUHSC, federal, or State entities that enhance the total rewards of a TTUHSC team member.

1. **State of Texas Group Benefits Program (GBP):** TTUHSC offers a selection of group insurance coverage for eligible team members, spouses, and children up to age 26 through the State of Texas Group Benefits Program (GBP). This program is administered by the Employees Retirement System of Texas (ERS), which sets the GBP policies with legislative input.

   Eligible team members may elect optional coverage for themselves and any eligible dependents. ERS will require documented proof that your dependents are eligible for coverage. Detailed information may be found on the ERS website. Below are the GBP offered plans:

   a. Health Insurance, including Point of Service Plan or Consumer Directed High Deductible Plan, with a $5,000 Basic Term Life Insurance and $5,000 in Accidental Death & Dismemberment (AD&D);
   b. Dental Insurance;
   c. Vision Insurance;
   d. Optional Term Life Insurance (individual team member only);
   e. Optional Dependent Term Life (available for eligible dependents only);
   f. Voluntary AD&D (available team member and eligible dependents);
   g. Short-term and Long-term Disability (available for team member only).

   a. GBP Eligibility: Regular team members, Research Assistants, Graduate Assistants, Graduate Part-time Instructors, and Teaching Assistants employed to work at least 20 hours per week for a continual period of at least 18 weeks per year are eligible to participate in the GBP including premium conversion.

   Definitions.

   i. **Regular Team Member**. A team member employed to work at least 20 hours per week for a continual period of at least 18 weeks per year, excluding retired team members and students employed in positions that require student status as a condition of employment.

   ii. **Full-Time Team Member**. A Regular team member who works 75% - 100% FTE (30-40 hours per week).

   iii. **Part-Time Team member**. A Regular team member who works 50% - 74% FTE (20-29 hours per week).

iv. **Graduate Assistant, Research Assistant, Teaching Assistant, or Graduate Part-time Instructor**. A graduate student in an institution of higher education is employed for work assigned by the unit's mission to include administration, research, or teaching, which utilizes knowledge beyond undergraduate academic studies for at least 50% FTE.

b. Cost Sharing. The State of Texas, or TTUHSC, funds a monthly contribution toward the cost of health insurance coverage. The contribution amount depends upon the health coverage selected and full-time or part-time employment status. A regular full-time team member receives the full premium sharing contribution, and a part-time team member or graduate student team member receives one-half of the full premium sharing contribution. Therefore, a full-time team member receives their member-only health insurance at no cost, and a part-time team member will pay one-half the cost of their member-only health insurance by payroll deduction.

Full-time team members will receive premium sharing for one-half the cost of any dependent health insurance selected, and part-time team members, or graduate student team members, will receive premium sharing for one-fourth of the dependent coverage cost. The team member will pay all remaining premiums through payroll deduction. Premiums and contributions are subject to change by legislative action and are determined annually by ERS. Changes to plans or premiums will be communicated to all team members as soon as possible.

c. Opt-Out Credit. Eligible team members or graduate students who choose not to select the State's health insurance, which includes Basic Term Life insurance, and are enrolled in other health insurance comparable to what the State provides may receive a monthly Opt-Out Credit of $60 if full-time or $30 if part-time. This credit may only apply to purchasing dental, vision, and/or Accidental Death and Dismemberment plans. Any unused portion of the Opt-Out Credit remains in the ERS fund.

d. Effective date. For newly hired team members or team members rehired after a break in service, the Health Coverage Date (HCD) will be the first of the month following 60 days of employment. Only a team member who is a direct transfer from another GBP agency, UT component, or A&M component without a break in coverage will begin their health insurance coverage upon their first day of employment. Team members must elect health insurance within the first 31 days of employment.

Optional plan coverage can be effective on the team member's first active-duty date if elected on that date or the first of the month following the initial election. Any changes to the initial enrollment made in the 31 days will be effective the first of the month after the change.

Following this initial enrollment eligibility period, team members may only enroll or change their elected coverage during the Annual Enrollment period or with a Qualifying Life Event (QLE). Evidence of Insurability restrictions may apply to the plan, and approval is not guaranteed.

e. Double coverage within the GBP is not permitted as a dependent, retiree, or team member at TTUHSC or another Texas state agency or Texas institution of higher education, except coverages for voluntary AD&D.

f. Beneficiary(ies): Team members must access ERS online to provide beneficiary information.

2. **Flexible Benefits Program.** The GBP offers a Flexible Benefits Program (TexFlex) consisting of a Premium Conversion Plan including a Health Care Reimbursement Account, a Dependent Care Reimbursement Account, and/or a Health Savings Account with an opportunity for a Limited Flexible Spending Account. The TexFlex program allows eligible team members to set aside pre-tax dollars from their paychecks to pay for certain out-of-pocket expenses.

This program is covered under the Internal Revenue Code, Section 125. The annual election of these accounts is irrevocable except with a qualifying life event or during the annual enrollment period. Like the health coverage waiting period, TexFlex Health Account has a 60-day waiting period before enrollment starts.

3. **Termination of Insurance**. Insurance coverage provided by the GBP will automatically terminate as follows for insured team members:

   a. The date the policy is terminated;
   b. The end of the month that Human Resources is notified that the team member ceases to be eligible;
   c. The end of the month in which the last premium payment is made for the team member;
   d. The end of the month in which the death of a team member occurs; or
   e. The end of the month is when Human Resources receives a cancellation request completed by the team member.

4. **Continuation of Insurance Coverage.**

   a. **Between Terms and Leave Without Pay.** Team members not working during the summer months or who are working less than 50 percent of the time during the summer months are entitled to continue coverage in all insurance plans and to receive premium-sharing contributions if:

      a. The team member was eligible to participate during the semester immediately preceding the summer months;
      b. Is expected to return to a status eligible to participate in the fall;
      c. Has not resigned or been separated from TTUHSC; and
      d. Is not on voluntary leave without pay for personal reasons.

      These team members may continue group insurance coverage during a period of leave without pay between terms provided the applicable premium payments are made to Payroll and Tax Services or ERS when billed.

   b. **Leave Without Pay.** Team members on voluntary leave without pay status (do not work or receive pay) for at least one full month are not eligible to receive the state contribution unless the leave is approved under the Family Medical Leave Act. These team members will be reported to the Employees Retirement System (ERS).

      If applicable, ERS will collect the total premium of all group insurance coverage, including the state premium sharing. The team member will receive billing directly from ERS and be responsible for payment to avoid cancellation of all coverage. More information is on the

   c. **COBRA Continuation Coverage.** Team members and their qualified dependents, covered under the group medical and/or dental plans, have a right, under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), to elect to continue their coverage for 18 or 36 months if their coverage otherwise ends because of certain qualifying events. Events include the team member's death, voluntary or involuntary termination of employment, reduction of hours of employment, divorce, or legal separation. Dependent children who cease to be dependent children may also elect continuation coverage.

5. **Medical Practice Income Plan (MPIP) Insurance Plans:** Certain clinical School of Medicine faculty and specific administrative or executive positions may have alternative or supplemental coverage to the GBP, including dental, long-term disability, and term life insurance plans. Human Resources administer these plans. Departmental funds pay these premiums. MPIP plan premiums are considered additional taxable income to those enrolled. Eligible team members must enroll within 30 days of employment with individual election forms returned the campus Human Resources team or be subject to reduced benefits or denial of coverage.

6. **Resident Physician Insurance**: A resident physician is a team member designated as PGY I, II, III, IV, V, VI, or a fellow participating in a TTUHSC postgraduate clinical residency program.

   Resident physicians may participate only in the insurance plans provided by TTUHSC School of Medicine. This program provides medical, dental, and life insurance plans for the resident and eligible dependents. The resident physician will be provided a long-term disability plan with a $1,500 monthly benefit. Residents will be taxed on life insurance coverage over $50,000.

TTUHSC covers the majority of the cost of the residents' insurance plans. Please reach out to the GME office for your campus for detailed rates and available plans.

7. **Other State and Federal benefit plans**

   a. **Workers Compensation Insurance**. The Workers Compensation Insurance Program covers each team member on the TTUHSC payroll. This insurance coverage is administered by the State Office of Risk Management (SORM) and the Texas Department of Insurance, Division of Workers' Compensation (TDIDWC). For additional information, see HSC OP 70.13, *Worker's Compensation Insurance*.

   b. **Federal Insurance Combined Act (FICA)**. All team members are required to participate in FICA contributions to Social Security (OASDI) and Medicare Hospitalization Insurance (MEDHI). Visit Social Security online at www.ssa.gov for further information and potential exemptions. (1)

   c. **Unemployment Compensation Insurance**. Team members on the payroll of TTUHSC in positions other than those requiring student status as a condition of employment are covered by the Unemployment Compensation Insurance Program. Through the Unemployment Compensation Insurance Program, team members may be eligible for weekly benefit payments during a period of unemployment that occurs through no team member's fault. (2)

   d. **Automobile Liability Insurance**. TTUHSC maintains an automobile liability insurance policy to cover team members required to operate vehicles owned by TTUHSC as a part of their assigned job duties.

   e. **Legal Liability Insurance.** The State Attorney General is required to undertake the defense, and the State of Texas must assume the liability for damages awarded against TTUHSC team members arising from acts within the scope of TTUHSC employment. (3)

   f. **Death Benefits**. Upon the death of a team member, TTUHSC shall pay the estate for all the team member's accumulated vacation leave and holiday comp time and one-half of the team member's accumulated sick leave or for 336 hours of sick leave, whichever is less. (4)

      Death benefits may also be payable to named beneficiaries under any one or more of the following retirement and insurance programs: Teacher Retirement System, Optional Retirement Program, Old-Age and Survivors Insurance (Social Security), Life Insurance, and Accidental Death and Dismemberment Insurance.

8. **Non-Discrimination**. All appointments shall be made based on qualifications and suitability for the role, without regard to race, color, religion, sex, age, national origin, disability, or protected veteran status, in compliance with the laws and regulations of the State of Texas, Regents' Rules, Title VII of the Civil Rights Act of 1964, Texas Tech University System Regulation 10.03, and all other applicable federal laws.

9. **Right to Change Policy**. TTUHSC reserves the right to interpret, change, modify, amend, or rescind this policy in whole or in part at any time without the consent of team members.

References:

(1) IRS Publication 519

(2) Labor Code Sections 201 - 215

(3) V.T.C.A., Civil Practice, and Remedies Code, Chapter 101

(4) Texas Government Code, Section 661.033, Attorney General's Opinion M-731, M-850, and M-1156