



# TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

## Operating Policy and Procedure

### HSCEP OP: 70.05 State and Federal Group Insurance Benefit Plans

**PURPOSE:** The purpose of this Texas Tech University Health Sciences Center El Paso (TTUHSC El Paso) Operating Policy and Procedure (HSCEP OP) is to establish the state and federal insurance benefit programs.

**REVIEW:** This HSCEP OP will be reviewed in September of every year by the Vice President for Human Resources and with recommendations for substantial revisions forwarded to the Chief Financial Officer (CFO).

### POLICY/PROCEDURE:

This HSCEP 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 El Paso, federal or state entities that enhance the total rewards of a TTUHSC El Paso employee.

1. **State of Texas Group Benefits Program (GBP):** TTUHSC El Paso offers a selection of group insurance coverage for eligible employees, 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) who sets the GBP policies with legislative input. Eligible employees may elect the following optional coverage for themselves and/or eligible dependents.

ERS will require documented proof that your dependents are eligible for coverage. Detailed information is found on the [ERS](#) website.

- Health (Point of Service Plan or Consumer Directed High Deductible Plan), including \$5,000 term life and \$5,000 AD&D
  - Dental
  - Term life with AD&D (team member only)
  - Dependent term life with AD&D (eligible dependents only)
  - Voluntary AD&D (team member and eligible dependents)
  - Short and long-term disability income (team member only)
  - Voluntary Vision Plan.
2. **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.
    - A. **Regular Employee:** An employee employed to work at least 20 hours per week for a continuous period of at least 18 weeks per year, excluding retired employees and students employed in positions that require student status as a condition of employment.
    - B. **Full Time Employee:** A Regular employee who works 75% - 100% FTE (30-40 hours per week).
    - C. **Part Time Employee:** A Regular employee who works 50% - 74% FTE (20-29 hours per week).

- D. **Graduate Assistant, Research Assistant, Teaching Assistant, or Graduate Part-time Instructor:** A graduate student in an institution of higher education employed for work assigned by the mission of the unit to include administration, research, or teaching, which utilizes knowledge beyond undergraduate academic studies for at least 50% FTE.
3. **Cost Sharing:** The State of Texas or TTUHSC El Paso funds a monthly contribution toward the cost of health insurance coverage. The amount of the contribution depends upon the health coverage selected and full-time or part-time employment status. A regular full-time employee receives the full premium sharing contribution and a part-time employee or graduate student employee receives one-half of the full premium sharing contribution. (This is subject to change by legislative action.) Therefore, a full-time employee receives their employee only health insurance at no cost and a part-time employee will pay  $\frac{1}{2}$  the cost of their employee only health insurance by payroll deduction. Full-time employees will receive premium sharing for  $\frac{1}{2}$  the cost of any dependent health insurance chosen and part-time employees or graduate student employees will receive premium sharing for  $\frac{1}{4}$  the cost of the dependent coverage. All remaining premiums will be paid by the employee through payroll deduction. All premiums are determined annually by ERS and will be communicated as soon as possible to all employees.
  4. **Opt-Out Credit:** Eligible employees or graduate students who do not need the State's health insurance now or in the future because they are enrolled in other health insurance that is as good as or better than what the State provides, may receive a monthly Opt-Out Credit of \$60 if full-time or \$30.00 if part-time which may then be used only towards the purchase of a dental plan and/or Accidental Death and Dismemberment Plan. Any unused portion of the Opt-Out Credit remains in the ERS fund.
  5. **Effective Date:** The Health Coverage Date (HCD) for health insurance for newly hired or rehired after a break in service employees will be the first of the month after the 60th day of employment. Only an employee who is a direct transfer from another GBP agency or a UT or A&M component, without a break in service, will begin their health insurance coverage upon their first day of employment. Employees must make their health insurance elections within the first 31 days of employment. Optional plan coverage can be effective on the employee's first active duty date or the first of the next month following the initial election. Any changes to the initial enrollment made in the 31-day period will be effective the first of the month after the change. After this initial period of eligibility, employees may enroll or change any of their elected coverage only during the Annual Enrollment period and then Evidence of Insurability restrictions may apply to the plan and approval is not guaranteed.
    - a. **Double coverage** is not permitted, as a dependent, a retiree, or as an employee at TTUHSC El Paso or at another Texas state agency or Texas institution of higher education with the exception of coverages for voluntary AD&D.
    - b. **Beneficiary(ies):** Employees must access ERS online to provide Beneficiary information.
  6. **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 all eligible employees to pay for certain expenses with pre-tax dollars and save money on federal income taxes and social security taxes by redirecting dollars from employee paychecks before taxes are calculated. 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. Similar to the health coverage waiting period, beginning Plan Year 2020, TexFlex has a 60-day waiting period before enrollment starts.

7. **Termination of Insurance:** Insurance coverage provided by the GBP will automatically terminate as follows:
- a. For insured employees:
    - i. The date the policy is terminated;
    - ii. The end of the month that Human Resources is notified that the employee ceases to be an eligible employee;
    - iii. The end of the month the last premium payment is made for the employee
    - iv. The end of the month in which the employee dies; or
    - v. The end of the month in which Human Resources receives a cancellation request completed by the employee.
8. **Leave Without Pay:** Employees who are on or expected to be on voluntary leave without pay status (do not work or receive pay) for a full month's time are not eligible to receive the state contribution unless the leave is classified under the Family Medical Leave Act (FMLA). These employees will be reported to the ERS. ERS will be responsible for the collection of the total premium of all group insurance coverage including the state premium sharing if applicable. The employee will receive a premium billing from ERS and should make prompt payment to avoid cancellation of all coverage.
9. **COBRA Continuation Coverage:** Employees and their qualified dependents covered under the group medical and/or dental plans have a right under Federal law to elect to continue their coverage for 18 or 36 months if their coverage otherwise ends because of certain "qualifying events." Those events include the employee'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.
10. **Medical Practice Income Plan (MPIP) Insurance Plans:** Certain clinical Paul L. Foster School of Medicine (PLFSOM) faculty and specific administrative/executive positions may have alternative or supplemental coverage to the GBP, including dental, long term disability and term life insurance plans. These plans are administered by Human Resources. Premiums are paid by departmental funds. MPIP plan premiums are considered additional taxable income to those enrolled. Eligible employees must enroll within 30 days of employment (forms returned to the HR Department) or be subject to reduced benefits or denial of coverage.
11. **Resident Physician Insurance:** A resident physician is an employee designated as PGY I, II, III, IV, V, VI or fellow and is participating in a TTUHSC El Paso postgraduate clinical residency program. Resident physicians may participate only in the insurance plans provided by the Paul L. Foster School of Medicine (PLFSOM). This program provides medical, dental and life insurance plans for the resident. The resident physician will be provided an LTD plan with a \$1500 monthly benefit. TTUHSC El Paso fully covers the cost of the residents' insurance plans. Residents will be taxed on life insurance coverage over \$50,000.
12. **Other State and Federal Benefit Plans:**
- a. **Workers Compensation Insurance:** Each employee on the payroll of TTUHSC El Paso is covered by the Workers Compensation Insurance Program. This insurance coverage is administered by the State Employee Workers Compensation Division of the Attorney General's Office. For additional information, see [HSCEP OP 70.13](#), *Worker's Compensation Insurance*.
  - b. **Federal Insurance Combined Act (FICA):** All employees are required to participate in FICA contributions to Social Security (OASDI) and Medicare Hospitalization Insurance (MEDHI). Visit Social Security online at [www.ssa.gov](http://www.ssa.gov) for further information and potential exemptions.

- c. **Unemployment Compensation Insurance:** Employees on the payroll of TTUHSC El Paso 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, employees may be eligible for weekly benefit payments during a period of unemployment which occurs through no fault of the employee.
- d. **Automobile Liability Insurance:** TTUHSC El Paso maintains an automobile liability insurance policy to cover employees required to operate vehicles owned by TTUHSC El Paso 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 is required to assume the liability for damages awarded against TTUHSC El Paso employees arising from acts within the scope of TTUHSC El Paso employment.
- f. **Death Benefits:** Upon the death of an employee, TTUHSC El Paso shall pay the estate for all of the employee's accumulated vacation leave and holiday comp, and one-half of the employee's accumulated sick leave, or for 336 hours of sick leave, whichever is less.
  - i. 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.

**13. Non-Discrimination:** Employees will not be discriminated against in their eligibility for insurance and other benefits based on race, color, religion, sex (including pregnancy, sexual orientation, gender identity, and gender expression), national origin, age, disability, genetic information, or status as a protected veteran.

**14. Right to Change Policy:** TTUHSC El Paso reserves the right to interpret, change, modify, amend, or rescind this policy in whole or in part at any time without the consent of employees.

#### **References:**

1. IRS Publication 519.
2. In accordance with Labor Code Sections 201 - 215.
3. In accordance with V.T.C.A., Civil Practice and Remedies Code, Chapter 101.
4. In accordance with Texas Government Code, Section 661.033, Attorney General's Opinion M-731, M-850, and M-1156.