# Insurance Eligibility

# Frequently Asked Questions (FAQs)

1. **Do agencies use the Look Back Method or the Three Month Measurement Method?**

   All state agencies must use the Look Back Method to determine if employees are full time for insurance eligibility purposes. This includes measuring ongoing (or existing employees) as well as newly appointed employees.

   The Three Month Measurement Method may <u>only</u> be used when a full-time employee in a Stability Period accepts a part-time position with an agency within the same Control Group. In this situation, agency must choose either the Three Month Measurement or the Look Back and use that Method for all employees.

2. **What is the Look Back Method?**

   The Look Back Method is a means of determining if an employee is full-time for insurance eligibility purposes. The advantage of using the Look Back is that it is a "safe harbor." Agencies will not be assessed a penalty for employees correctly measured/assessed through the Look Back Method.

   For example: At the time of appointment an agency makes a good faith determination that an employee will work 25 hours per week. The employee is part-time, will be measured through the Look Back Method, and insurance coverage is offered under the terms of the applicable labor agreement or compensation plan. If the employee works full-time for a month the agency will not be assessed a penalty because the employee has been correctly pleased in the Look Back.

3. **How many Look Back Methods are there and what are they?**

   There are two Look Back Methods that were created through Employer Shared Responsibility regulations: the Standard Look Back and the Initial Look Back.

   <u>The Standard Look Back</u> measures ongoing employees. An ongoing employee is any employee employed by any agency within the Control Group on the first day of the Measurement Period. The Standard Look Back is an ongoing and rolling method, so employees are always in both a Measurement Period and a Stability Period. It is also known at the Ongoing Look Back.

   <u>The Initial Look Back</u> measures the hours of all New Hires who are a part-time, variable hour, or seasonal basis to confirm that they are not full-time. It is also known as the New Hire Look Back. (A full-time employee will receive the full employer contribution level coverage at the time of appointment and will first be measured during the next Standard Look Back.)

   To fully understand the Initial Look Back it's important to understand these definitions:

New Hire: is an employee, who at the time of appointment has not provided an hour of service to any agency within the Control Group within the past 13 weeks (26 weeks for educational institutions). This definition applies only for insurance eligibility purposes.

Part-time: for insurance purposes is a part-time employee is an employee anticipated to work less than 30 hours per week.

Variable Hour: at the time of appointment, the employer is unable to determine how many hours of week this employee will work.

Seasonal Basis Employee: An employee who was both appointed to work for a season and who provides services directly related to the season. A Seasonal Basis Employee may include an employee who is appointed for no more than 10 months during any 12 consecutive months but who is expected to return to work year after year. A variety of Reg/Temp coded positions can be made on a Seasonal Basis, including Seasonal, Intern, Student Worker, and Unclassified Temporary.

A Seasonal Basis employee is eligible for coverage according to the terms of the applicable labor agreement or compensation plan and will receive the full employer contribution level coverage if at the time of appointment the employee is expected to work more than 6 months and on average 30 or more hours per week.

Quarterly Look Back was created through labor agreements and is still in effect. Agencies that use this Look Back must continue to do so. An employee in a Stability Period may not lose coverage but may gain coverage due to the outcome of the Quarterly Look Back.

4. **How does the Look Back Method work?**

The Look Back Method consists of three periods:

Measurement Period: The hours an employee works are measured (or counted) throughout the Measurement Period.

Administration Period: During the Administration Period agencies count the hours an employee worked during the Measurement Period and offer coverage if the employee averaged 30 or more hours per week.

Stability Period: Employees retain the level of coverage earned during the Measurement Period through the Stability Period. During the Stability Period an employee's coverage level can only be changed if: 1) the employee ceases to provide an hour of service to any agency in the Control Group; 2) the employee has a change in job status; or 3) the employee becomes eligible for a higher level of coverage under the applicable labor agreement or compensation plan.

The Quarterly Look Back does not use these Periods.

5. **What constitutes the "work week?**

We follow the pay period - Wednesday through Tuesday.

6. **Do we offer temps only Medical or do we also offer dental, optional benefits and flexible spending accounts?**

   Any insurance eligible employee must be offered the full set of benefits that is offered to employees in the applicable labor agreement or comp plan. So if this temp is covered by the AFSCME agreement they get the same set of benefits as provided in that contract. If they are covered by the commissioner's plan they receive that set of benefits.

7. **How are the "rolling average hours" calculated on the ESR reports?**

   The answer will vary depending on which report you are using. Descriptions of the reports are available in the Look Back Memo available at http://mn.gov/mmb/segip/humanresources/insurance-eligibility.jsp.

   In the Ongoing employee report the rolling average is based on the number of weeks in the review period. The first month will have 4 weeks, by the time we hit the sixth month its 26 weeks building to the conclusion at 52 weeks.

   The rolling week average in the new hire report is based on the days in the month. It's confusing because it looks like payroll periods but only the days in the month are counted. So if we have a payroll period in which one week is in one month and the second week is in the next month the report will list the payroll period but it will only include one week.

8. **On the reports, do hours worked include paid leave?**

   Yes, hours worked include any paid time, including sick, holiday, vacation, jury duty and voting time. The entire list of Earn Codes used to identify an hour is included in both the Insurance Eligibility and Look Back documents. These and other helpful items are available at http://mn.gov/mmb/segip/humanresources/insurance-eligibility.jsp.

9. **How soon after a new special eligibility code is entered into SEMA4 is the insurance packet mailed to the employee?**

   The insurance packet is usually mailed on the next working day (not on a weekend or holiday) from the new special eligibility code is entered into SEMA4.

10. **How long after the special eligibility code is entered into SEMA4 does the employee have to return the insurance packet?**

    When coverage is offered prior to the effective date the employee must submit their elections within 30 calendar days of the effective date. For example: On November 15th, the agency changes the special eligibly code and enters an effective date of January 1st. SEGIP will mail an insurance enrollment packet to the employee on November 16th and the employee must return the enrollment forms to the SEGIP office by January 30th.

    In some instances, an agency may change the special eligible code in SEMA4 and backdate the effective date. In this case, the employee will be instructed to have the enrollment forms in the SEGIP office by either the end of the enrollment period stated on the enrollment letter or 30-days from the print date, whichever is later. For example: On January 15th, the agency changes the special eligibility code and enters an effective date of January 1st. SEGIP will mail the employee an insurance packet on January 16th. Information included in the packet will instruct the employee that the enrollment documents must be in the SEGIP office either 30 days from the date of change in status or the date printed on the bottom corner whichever is later. Coverage will be effective January 1st and the employee will be retroactively charged their share of the premium contribution.

11. **How should a continuing employee that is hired/rehired and is entitled to insurance benefits immediately (without waiting the 35-day period) be processed in SEMA4?**

When an employee who had a break of less than 13 weeks or 26 weeks for educational institutions is appointed by an agency within the same Control Group to an insurance eligible position and that employee had full employer contribution level coverage in their previous appointment, two rows will be necessary on their job record.

a. Process the hire/rehire transaction accordingly making certain that the correct special eligibility code is used. Save.

b. Add and sequence another row (effective the same date as the hire/rehire) using Data Change as your action and RHC (Rehire Continued Employment) as your reason code.

c. Enter the special eligibility code that reflects the appropriate befits eligibility for the current period. Save.

12. **Which employees are measured during the standard measurement period?**

Employees who were active at any agency within the control group on the first day of the standard measurement period. Any employee appointed after the first day of the standard measurement period will be included in the next standard measurement period.

This means that during the standard administrative period (that runs from late October through December) does not include all employees. Because measurement periods run for one year, an employee must be employed for one year before that employee is reviewed in an administrative period.

13. **If a seasonal, temp, variable, or a part-time employee becomes full-time (or otherwise eligible for the full employer contribution level coverage) during the initial measurement period, when does the insurance coverage begin?**

When a seasonal, temp, variable, or part-time employee experiences a change in employment status, such that the employee becomes full-time for insurance eligibility purposes, before the end of the Initial Measurement Period then the full employer contribution level coverage will begin:

- Immediately, if coverage is required under the applicable labor agreement or compensation plan (and the employee has worked for at least 35 days).

- On the first day of the fourth full month, if the employee is not eligible for the full employer contribution coverage under the applicable labor agreement or compensation plan but measures full-time during a Three Month Measurement Period.

    - Employees are full- time for insurance eligibility purposes if they average 130 hours a calendar month during the 3-month measurement method.

- On the first day of the Initial Stability Period if the employee's Initial Measurement Period ends before the Three Month Measurement Method is finished and the employee is measured to be full-time during the Initial Measurement Period.