Patient Protection and Affordable Care Act (PPACA)

What does it mean to me?

The healthcare reform law, also known as the Affordable Care Act, or ACA, that passed in 2010 has had gradual and increasing impacts on our plan at the University of Alaska. You may be aware of some changes, and others may have slipped by without your notice. Retaining dependent children on the plan until age 26, expanding the preventive services covered by the plan, removing annual and lifetime limits on most services, and removing pre-existing condition exclusions are all parts of the law that have affected our plan over the years.

If you are covered by an employer plan like UA Choice, you may not think the law will make much of a difference to you either personally or at work. And it’s true that on a personal level, you may not notice much difference in health care coverage because of the law. But from a workplace standpoint, the law will have a large impact on how we do business at the university. Why? Because starting in 2015, the university is required to offer health care coverage to employees who up to now have not been considered eligible for benefits.

The way the law is currently written, employees who work an average of 30 hours or more a week will be eligible for health care benefits even if they are temporary, adjunct, or student employees. The way we will determine if these employees are eligible for health care coverage is by tracking their working hours over a period of time called the “measurement period.” Tracking hours for employees who normally are paid by the class, stipend, unit, or “flat fee” obviously presents a challenge for us.

*The tracking requirements outlined in this document apply to employees hired in FW, FT, GN and GT employee classes only. All other employee classes are already being tracked based on working hours, regardless of how the employee is paid.*

For these types of employees, a reasonable estimation of working hours may be difficult to calculate. The IRS has given us guidance to convert credit hours taught to hours worked by multiplying the credits by 2.25 (so a 3 credit course is equivalent to 6.75 hours a week, or 13.5 hours bi-weekly). Added to this calculation are any hours worked outside of the classroom, such as required office hours and/or required meeting hours. In other words, we must carefully assess all required work outside of the classroom.

This assessment becomes more challenging when determining hours for non-credit assignments and the variety of graduate student stipends with or without an “on-call” status component.
The most recent guidance from the IRS for students employed as a Resident Assistant states, “It is not reasonable for an employer to fail to credit an employee with an hour of service for any on-call hour for which payment is made or due by the employer, (a) for which the employee is required to remain on-call on the employer’s premises, or (b) for which the employee’s activities while remaining on-call are subject to substantial restrictions that prevent the employee from using the time effectively for the employee’s own purposes.” The hiring department must make a reasonable assessment of the bi-weekly work hours of an employee for non-credit assignments and graduate student stipends, and provide the number of bi-weekly work hours on the employee’s appointment letter and job assignment form.

A reasonable calculation for someone performing a non-credit (non-represented) adjunct assignment may be to assess the number of prior semesters the employee has worked for the University, and equate the employee’s contract amount to a represented employee’s calculated work hours.

Example;
John has worked for the University for 2 prior semesters, and is now being employed in a non-credit assignment to develop the curriculum of a 3-credit class before the end of the semester.

- UA employees teaching a 3-credit class are paid a minimum of $3,490.62 ($1,163.54 per credit hour) with an estimated work hours of 13.50 per pay period based on 2.25 hours per credit per week, as listed above)
- John’s current non-credit assignment is contracted to pay $1,500
- John’s assignment is being paid at 43% of the minimum amount compared to teaching a 3-credit course ($1,500 divided by $3,490.62 = .43)
- Applying the same translation to work hours, use the estimated work hours for a 3-credit course and multiply by the percentage of difference in pay to determine the estimated work hours. (13.5 work hours X .43 percentage difference in pay = 5.81 estimated work hours)
- Work hours should be rounded to the nearest quarter hour making the estimated work hours for John’s assignment at 6 hours per pay period.

*Special Note:* If the department representative, hiring authority, or the employee are aware that the employee’s work hours will differ from the outcome of the calculation method in the above example, then the actual estimated work hours should be provided to the IHR office on the employee’s assignment documentation.

Also, if the employee’s work hours differ for one or more pay periods from the work hours listed on their appointment letter or job assignment definition, then the employee will be required to submit a paper time sheet to adjust their work hours accordingly.
The number of bi-weekly (per pay period) work hours provided from either the contract letter or job assignment form will be recorded in the Banner Job Assignment form, NBAJOBS, and used to determine whether the employee must be offered UA Health Care coverage at the conclusion of the measurement period.

Any employee hired after July 1, 2015, who is expected to work a minimum of 30 hours every week of their assignment must be offered health care coverage immediately. All students hired in a Resident Assistant assignment should be offered health care coverage at the start of their assignment by nature of their “on-call” duties. New hires and Resident Assistants who meet the 30-hour minimum will still be subject to the 30-day wait period from their date of hire, before their health care coverage can begin.

The only exceptions to the 30-hour rule are for truly seasonal employees who are hired full-time for a period not to exceed six (6) months at the same time every year and students employed in work study jobs. Examples of a seasonal employee are summer laborers and groundskeepers who only work the summer season. These employees do not need to be offered health coverage because they are truly seasonal employees.

For questions related to ACA hours calculations, please refer to your campus Human Resources office; contact information for each office is available at http://www.alaska.edu/hr/contact-us/.