



# Affordable Care Act for The University of North Carolina

May 2016

*This guide provides an overview on how to comply with the Affordable Care Act to the University of North Carolina.*

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# UNC Affordable Care Act (ACA) Guide

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*This guide applies only to employees who are not continuously eligible for the State Health Plan as outline in G.S.135-40.*

## Key Terms for Purposes of Complying with the ACA

- **New Employee** – An employee who has not previously worked for the University/Institution or an employee who has had a break in service as defined in the key terms.
  - following the employee’s hire date.  
**Example:** The employee is hired March 10, 2015, and not reasonably expected to work 30 hours per week. The initial measurement period is April 1, 2015 – March 31, 2016.
- **Ongoing (Continuous) Employee** – An employee who generally has been employed for at least one complete standard measurement period.
- **ACA Full-Time Employee** – An employee who is reasonably expected to work at least 30 hours of service per week on average and is not a seasonal employee as defined in the key terms.
- **ACA Non-Full-Time Employees** – An employee who is **NOT** reasonably expected to work at least 30 hours of service per week on average. New employees will be measured during the initial measurement period and ongoing employees will be measured during the standard measurement period to determine full-time eligibility.
- **Seasonal Employee** – An employee hired into a position for which the customary annual employment is six months or less. Employment should begin each year in approximately the same part of the year, such as summer or winter. These employees are not initially considered full-time employees and are measured similarly to non-full-time employees.
- **Initial Measurement Period** – The measuring period for new employees who are not initially expected to work more than 30 hours per week. This timeframe is used to determine ACA full-time eligibility for ACA health insurance. The initial measurement period will be 12 months starting from the first of the month
- **Standard Measurement Period** – The measuring period for each calendar year used to determine full-time eligibility. This period is from October 1 of the previous year to September 30 of the current year.
- **Administrative Period** – The period of time during which the employer calculates employees’ eligibility, offers coverage, and enrolls ACA full-time employees in an ACA health plan.
  - For the Initial Measurement period, the administrative period is the month following the end of the initial measurement period.
  - For the Standard Measurement period, the administrative period is October.
- **Stability (Coverage) Period** – The period during which health coverage is provided to ACA full-time employees. The stability period after an initial measurement period is 12 months starting the first day of the following month after the employee’s initial measurement period ends. The stability period after the standard measurement period is January 1 to December 31.  
**Example:** An employee hired on March 10, 2015, without the expectation of full-time

employment has an initial measurement period of April 1, 2015 – March 31, 2016. If, after measuring, the employee is determined to be full-time, the employee is then eligible for the ACA health insurance effective May 1, 2016. The stability period runs for 12 months ending on April 30, 2017.

Eligibility for ACA coverage for the next stability period (January 1, 2017 – December 31, 2017) will look back at the standard measurement period of October 1, 2015 – September 30, 2016. If the employee does not meet the definition of an ACA full-time employee during the standard measurement period, the employee remains entitled to continue the State Health Plan High Deductible Health Plan (SHP-HDHP) for the remainder of the initial measurement period until April 30, 2017.

- **Break in Service** – For employees not reasonably expected to meet the definition of an ACA full-time employee, a break in service is the period of time when an employee is not being paid and is not entitled to be paid for the performance of duties. **(An employee active in the HR/Payroll system is considered an employee entitled to be paid for the performance of duties.)** A break in service is calculated when it is necessary to determine whether the employee can be considered as a newly re-hired employee and a new measurement period applied or an ongoing (continuous) employee. In order to be considered a new employee and have a new measurement period applied, a break in service must be 26 or more weeks between recorded hours or less than 26 weeks but at least 4 weeks, and is longer than the employee’s period of employment immediately preceding the period of non-employment (the rule of parity).

### Rule of Parity

**Example (when break in service is less than 26 weeks):** An employee is hired on January 10, 2015, and terminates on February 20, 2015 (six weeks). The same employee is re-hired on April 18, 2015 (an eight-week break where no hours are recorded). Since the break in service is longer than the employee worked and less than 26 weeks, the employee is considered a new hire and will start a new initial measurement period beginning May 1, 2015.

**Example (break in service of 26 weeks or more):** An employee is hired on January 2, 2015, and terminates on July 2, 2015. The same employee is re-hired on January 15, 2016 (a 28-week break where no hours are recorded). The employee is considered a new employee and if not reasonably expected to work 30 hours a week, the employee will start a new initial measurement period from October 1, 2015 – September 30, 2016.

#### NOTE

*Employees of educational organizations who resume employment after a scheduled academic break must have a 26-week break in service in order to be considered a new employee.*

- **Special Unpaid Leave** – Unpaid leave for FMLA, USERRA, and/or jury duty. These unpaid leaves of absence do not count as a break in service and this unpaid time must be counted as working time for the purpose of determining an employee’s ACA full-time status.

## How to Comply with the ACA Requirements

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### How do we process our new employees?

1. New employees at the time of hire that are expected to work full-time (see definition section) are eligible for the SHP-HDHP the first of the month after the hire date.

**Example (Eligible Employee):** A new employee hired on March 10, 2016, who is reasonably expected to work at least 30 hours of service per week on average is an ACA full-time employee and is eligible to start the SHP-HDHP on April 1, 2016.

2. Employees who are not expected to be full-time at the time of hire or are seasonal employees are **NOT** eligible for ACA health insurance and will have their full-time status determined during their initial measurement period.

**Example (Non-Eligible Employee):** A new employee hired on March 10, 2016, who is **NOT** reasonably expected to work at least 30 hours of service per week on average and is **NOT** an ACA full-time employee. The employee's initial measurement period is April 1, 2016 – March 31, 2017.



### What happens after the initial measurement period?

1. Either the employee is determined to be ACA full-time and is eligible for the SHP-HDHP during the stability (coverage) period or the employee is NOT determined to be an ACA full-time employee and is not eligible for the SHP-HDHP during the stability period. However, all employees will be re-measured during the standard measurement period each year.

**Note:** It is possible that an employee will not be eligible during the initial measurement period but might become eligible during the standard measurement period.

2. If the employee is eligible for the SHP-HDHP, the coverage will begin the first day of the following month after the employee's initial measurement period ends. The month between the end of the employee's initial measurement period and the start of the stability (coverage) period is used as an administrative period.

**Example:** An employee hired March 10, 2016, will have an initial measurement period of April 1, 2016 – March 31, 2017. If you determine ACA full-time, the employee's stability (coverage) period is from May 1, 2016 to April 30, 2017.



### When are employees measured again?

1. All employees who have worked through a complete standard measurement period (see definition) and are considered a continuous employee are measured. This measurement period will determine if an employee is or is not an ACA full-time employee. If an employee is determined to be full-time, the employee is eligible for the SHP-HDHP during the associated stability (coverage) period.

**Example:** Employees will be measured during the standard measurement period of October 3, 2014 – October 2, 2015. If an employee is full-time, the employee's stability (coverage) period is January 1, 2016 – December 31, 2016.



## What if an employee's employment status changes?

1. If at any point an employee has a change in employment status (e.g., receives a new position, is re-assigned, receives adjusted work hours, or moves to a new agency) and the agency now reasonably expects the employee to work more than 30 hours per week, then the agency should offer the employee SHP-HDHP insurance. The start date of the health insurance is the first of the month following the status change. **Only applicable if employee is in initial measurement period.**

**Example:** A previously non-full-time employee is given a new position on April 10, 2015. If the agency reasonably expects this new position will average at least 30 hours a week, the employee is now considered to be ACA full-time and would be eligible for the SHP-HDHP effective May 1, 2015.

2. An employee who initially becomes eligible for the SHP-HDHP coverage because the employee is reasonably expected to work at least 30 hours a week is eligible to maintain the coverage for 12 months during their initial measurement period.

At the end of the employee's initial measurement period, 12 months from the first date on which the employee was eligible for SHP-HDHP coverage, the employee is measured again to determine if the employee's hours averaged at least 30 hours a week. If so, the employee is eligible to continue the SHP-HDHP during the next 12 months. However, the employee is measured again at the end of the next standard measurement period.

- a. If, over the look back period (the standard measurement period), the employee did not average at least 30 hours a week, the employee's SHP-HDHP coverage would end after the initial measurement period's 12-month stability period.
- b. If, over the look back period (the standard measurement period), the employee did average at least 30 hours a week, the employee's SHP-HDHP coverage would extend over the next 12-month stability period (January 1 – December 31).

**Example (Continued eligibility):** A previously non-full-time employee is given a new position that is reasonably expected to work more than 30 hours a week on April 10, 2015. The employee is eligible for the SHP-HDHP coverage from May 1, 2015 – April 30, 2016.

During May 2016, the employee remains covered, and the employee's **initial** measuring period (May 1, 2015 – April 30, 2016) is evaluated to determine whether the employee did work an average of at least 30 hours per week between May 1, 2015, and April 30, 2016. If the employee did work 30 or more hours a week, the employee is entitled to a new stability period of June 1, 2016 – May 31, 2017. However, the employee is re-measured in October 2016 at the end of the next **standard** measuring period (October 3, 2015 – October 2, 2016) to evaluate eligibility for coverage for the 2017 calendar year.

If the employee worked an average of at least 30 hours a week during the standard measuring period of October 3, 2015 – October 2, 2016, the employee receives a new stability period of January 1, 2017 – December 31, 2017 (an extension of eight months onto the employee's initial stability period). Thereafter, assuming no breaks in service, the employee is re-measured at the end of every standard measuring period (October 3 – October 2) to determine continued eligibility.

If the employee worked less than an average of 30 hours a week during the standard measuring period of October 3, 2015 – October 2, 2016, the employee does not have enough service to be deemed ACA full-time past April 30, 2017.

**Example (Eligibility ends):** A previously non-full-time employee is given a new position that is reasonably expected to work more than 30 hours a week on April 10, 2015. The employee is eligible for the ACA health coverage from May 1, 2015 – April 30, 2016. During May 2016, the employee remains covered, and the employee's **initial** measuring period (May 1, 2015 – April 30, 2016) is evaluated to determine whether the employee did work an average of at least 30 hours per week between May 1, 2015, and April 30, 2016. If the employee worked less than an average of 30 hours a week during the **initial** measurement period, the employee does not meet the definition of an ACA full-time employee, and the employee's SHP-HDHP coverage ends on April 30, 2016. The employee is measured again at the next standard measurement period, October 3, 2015 – October 2, 2016.

3. An employee deemed to be full-time or not full-time during either the initial or standard measurement period will maintain this status during the employee's associated measurement period unless there is a change in employment status such that the employee is reasonably expected to work an average of at least 30 hours a week. A downward change in working hours does not change an employee's ACA full-time and/or not full-time status during the stability period. However, an upward change in working hours that creates a reasonable expectation that the employee will work an average of at least 30 hours a week will change the employee's ACA full-time status.

**Example:** An employee's standard measurement period is October 3, 2014 – October 2, 2015, and the employee is determined to be a full-time employee. The employee's stability period is January 1, 2016 – December 31, 2016. If, during this stability period, the employee's hours average only 20 hours a week, the employee is still eligible to maintain the SHP-HDHP for the remainder of the stability period, or until December 31, 2016. However, the employee will be re-measured again in October 2016 using the next standard measurement period, October 3, 2015 – October 2, 2016, to determine the employee's status. If the employee did not work an average of at least 30 hours per week during October 3, 2015, – October 2, 2016, then the employee's coverage will end on December 31, 2016.



### What happens when an employee is rehired?

*First, determine if the break in service since last employment by the University is less than 26 weeks (see break in service definition).*

1. If the answer is **Yes**, then the employee is considered an ongoing (continuous) employee and his/her previous ACA full-time or non-full-time status continues for the remainder of the stability (coverage) period. If previously determined to be an ACA eligible full-time employee and if actually enrolled in the SHP-HDHP, the employee may resume the coverage on the first of the month following the rehire date. If previously determine to be an ACA eligible full-time employee, but the employee declined such coverage and did not previously enroll in the SHP-HDHP, the employee is **not** allowed to enroll during this stability period.

2. If the answer is **No**, then the employee is considered a new employee and the employee would begin a new initial measurement period unless the employee is reasonably expected to work at least 30 hours a week, in which case the employee should be offered SHP-HDHP coverage.

**Note:** If any period of time during the employee's absence can be categorized as Special Unpaid Leave (see definition), the agency must treat this time as hours worked to determine the break-in-service period.



### What happens when a permanent employee previously eligible for coverage under the State Health Plan (SHP) is separated and later rehired as a temporary employee?

1. If the break in service is **less** than 26 weeks, the employee is considered full-time for the remainder of the stability (coverage) period which is typically the calendar year. Upon separation, the employee has the option to enroll in COBRA through the SHP and maintain that coverage, or the employee may choose to enroll in the SHP-HDHP effective at the end of the SHP active coverage, if elected. The employee would be measured again during the standard measurement period to determine the employee's future full-time status.

**Example:** A permanent employee is terminated on February 20, 2015, from the University. The employee does not choose to pay for COBRA coverage. The employee's coverage under the SHP ends on March 31, 2015. The employee is rehired by another UNC system school as a temporary employee on February 28, 2015, and is not reasonably expected to work 30 hours per week. Since the break in service is less than 26 weeks, the employee is eligible to enroll in the SHP-HDHP effective April 1, 2015, and coverage continues during the stability period ending December 31, 2015. The employee will be measured during the standard measurement period November 1, 2014 – October 31, 2015 to determine further ACA full-time eligibility.

2. If the break in service is 26 weeks or **more**, the employee is considered a new employee and the employee would begin a new initial measurement period.



### What about re-hired retirees who are members of the NC State Retirement System?

A rehired retiree should not work more than 29 hours per week. However, if they do, they will not be required to enroll in the SHP HDHP but rather, the employee would be responsible for placing the rehired retiree back on the active group health coverage. Basically, the rehired retiree must come off of the retiree group health insurance and return to the employer's SHP coverage.



### How will employees be measured during the first year?

1. The first standard measurement period is October 3, 2013 – October 2, 2014. All temporary employees still active and hired/re-hired on or before October 1, 2013, will be measured in this standard measurement period to determine their ACA full-time status. If an employee is determined to be ACA full-time, their stability (coverage) period is January 1, 2015 – December



31, 2015. The enrollment period will be November 1, 2014 – November 30, 2014. All temporary employees still active and hired on or after October 1, 2013, through October 31, 2014, will have their ACA full-time status determined through their initial measurement period. The chart below outlines the dates used.

Hire Date	Initial Measurement Period	Stability Period
Prior to October 1, 2013	October 3, 2013 – October 2, 2014	January 1 – December 31, 2015
October 1 – 31, 2013	November 1, 2013 – October 31, 2014	January 1 – December 31, 2015
November 1 – 30, 2013	December 1, 2013 – November 30, 2014	January 1 – December 31, 2015
December 1 – 31, 2013	January 1, 2014 – December 31, 2014	February 1, 2015 – January 31, 2016
January 1 – 31, 2014	February 1, 2014 – January 31, 2015	March 1, 2015 – February 28, 2016
February 1 – 28, 2014	March 1, 2014 – February 28, 2015	April 1, 2015 – March 31, 2016

### ? How is on-call pay used to calculate time worked?

If an employee records on-call time, the employee’s hours worked will be calculated by every eight hours of on-call time, the employee will get credited for one hour of time worked.

### ? How does a university/institution determine eligible employees?

Each month employees may become eligible because their initial measurement period is completed. For example, an employee’s 12-month initial measurement is from February 1, 2014 – January 31, 2015. During February 2015, the administrative period, you will need to review data pulled from your HR and time-keeping systems to determine eligible employees who worked 30 hours or more a week during this initial measurement period. If eligible, the employees can start the SHP-HDHP on March 1, 2015.

### ? How does an employee enroll in the State Health Plan-High Deductible Health Plan?

1. The university/institution Health Benefit Representative (HBR) should contact all employees on the monthly eligibility report and provide any necessary benefit counseling.
2. Information about the SHP-HDHP is available at <http://www.shpnc.org/hbrs/hbr-health-care-reform.aspx>.
3. Provide the employee an enrollment letter. See Appendix B for an example.
4. The enrollment letter will instruct the employee to visit [www.shphdhp.com](http://www.shphdhp.com) to enroll in the SHP-HDHP, or they can call the vendor (COBRAGuard) directly for enrollment assistance at 855-442-6272.
5. Keep a copy of the enrollment letter provided to the employee.

## Measuring Employees Who Do Not Record Hours Worked

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There are many types of employees who are paid but do not record hours worked. Some examples are listed below:

1. Adjunct Instructors
2. FLSA Exempt EHRA Employees – permanent and temporary
3. Graduate Students
4. Resident Advisors
5. Interns
6. Phased Retirees
7. Post Docs
8. RA/TAs

In addition to the employee types listed above, you will also have the following employee types who can be SHRA, EHRA, permanent or temporary:

- Permanent full time (30 or more hours)
- Temporary full time (30 or more hours)
- Permanent part-time (20 – 29 hours)
- Temporary less than 30 hours
  - Includes non-work study students

Adjunct Instructors - UNC General Administration has defined an adjunct's work hours by crediting three hours of work per week during the semester for each credit hour assigned to the class. The table below shows how these hours translate to FTE to ensure that adjuncts are coded correctly.

Credit Hrs Taught	Hrs/Wk Effort EQUIV	Corresponding FTE	% of FT	
1	3	0.075	7.5%	Not ACA healthcare eligible
2	6	0.150	15%	
3	9	0.225	22.5%	
4	12	0.300	30%	
5	15	0.375	37.5%	
6	18	0.450	45%	
7	21	0.525	52.5%	
8	24	0.600	60%	
9	27	0.675	67.5%	
10	30	0.750	75%	ACA healthcare eligible
11	33	0.825	82.5%	
12	36	0.900	90%	
13	39	0.975	97.5%	
>13	40	1.000	100%	

Special circumstances may warrant more or fewer hours of work be credited for each semester hour. Campuses must seek approval from UNC General Administration if an adjunct faculty member would be credited with less than three hours of work per week/per credit hour assigned to a semester-long course. If an adjunct faculty member will be credited with more than three hours of work per week/per credit hour assigned to a semester long course, it must be recorded in writing and approved by the Provost.

The following is a mapping guide of UNC employee types to the ACA Statuses, as defined by the legislation and used by Maestro Health for reporting, and the employee types used within our system(s):

#### ACA Statuses:

- FT-Full Time-Used on 1094-C for FT Head Count
  - Permanent full time (30 or more hours)
  - Temporary full time (30 or more hours)
  - Fellows
  - Post Docs (depending on how you classify them (perm or temp))
  - Interns (may fall into PT based on your campus policy and classification given)
  
- PT-Part Time-Used in Total Employee Count on 1094-C
  - Temporary less than 30 hours
    - Includes non-work study students
  - Permanent part-time (20 – 29 hours)
  - Graduate Student temporary works (non RA/TA)
  - Phased Retirees
  - RA/TA (may fall into multiple statuses based on campus policy and/or multiple jobs held by the RA/TA)

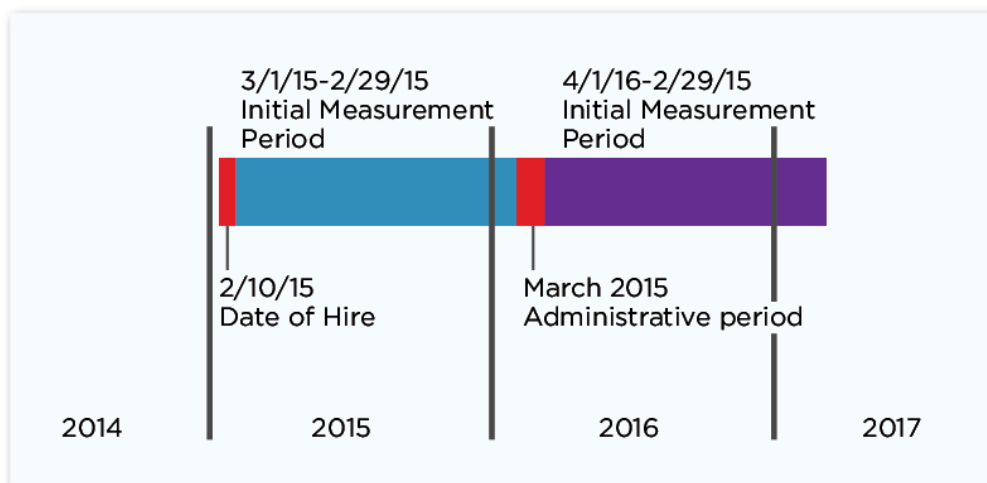
- Graduate Student temporary work (may fall into multiple statuses based on number of appointments and/or hours worked)
- Adjunct faculty (dependent on the FTE assigned based on the definition of 3 hours worked for 1 credit hour – GA definition)
- Resident Advisors (may fall into multiple statuses based on campus policy)
- RT-Retiree-Ignored in Total and FT Head Count on 1094-C
  - Rehired retiree
  - Phased Retiree (in year two of Phased agreement)
- VF-Variable Hour Full Time- Used on 1094 C for FT Head Count
- VP-Variable Hour Part Time- Used in Total Employee Count on 1094-C
  - Rehired retirees – see follow question below
- NE-Non Employee--Ignored in Total and FT Head Count on 1094-C

NOTE: The above is a general guide and is not intended to be all inclusive. You will need to evaluate each of the employee types listed to determine, based on your campus policies, what ACA status is applicable.

## Case Study #1

**Initial Measurement Period:** Pat is a new employee hired on February 10, 2015, and he is not reasonably expected to work full-time.

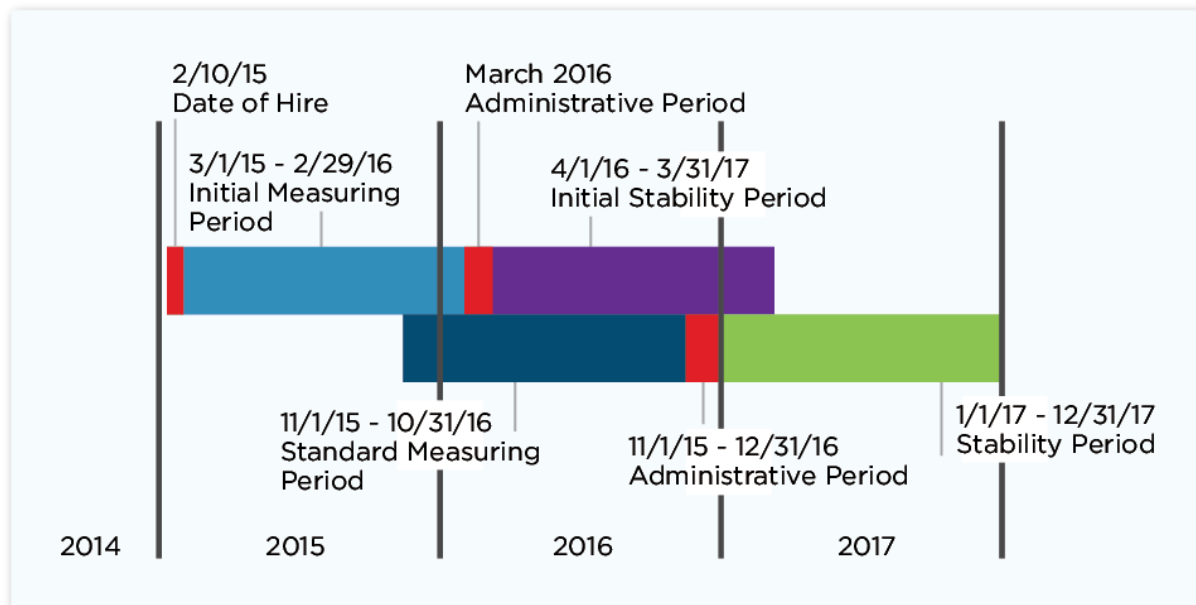
**Result:** Pat is not immediately eligible for the SHP-HDHP. His initial measurement period is from March 1, 2015 – February 29, 2016. If Pat averaged 30 hours a week during this measurement period, his stability (coverage) period starts on April 1, 2016, and runs for 12 months.



## Case Study #2

**Standard Measurement Period:** Bill is a new employee hired on February 10, 2015, and is not initially eligible for immediate SHP-HDHP coverage because he is not reasonably expected to work 30 or more hours per week. He was measured during his initial measurement period (March 1, 2015 – February 29, 2016), and Bill was not determined to be full-time under the ACA and is not eligible to receive health coverage during his stability period, April 1, 2016 – March 31, 2017. However, Bill is measured again for the standard measurement period (October 3, 2015 – October 2, 2016) and is now determined to be averaging 30 hours a week, such that he can enroll for the SHP-HDHP for the stability period of January 1, 2017 – December 31, 2017.

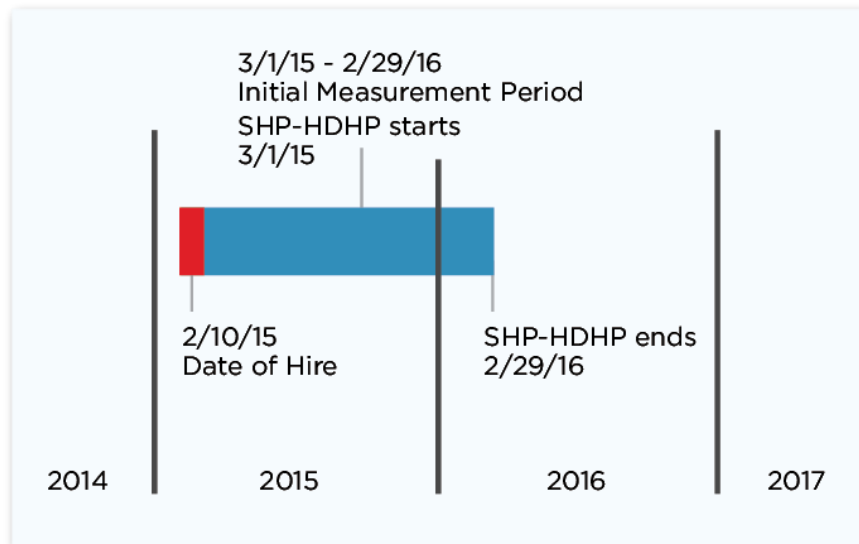
**Result:** Bill remains a non-full-time ACA employee during the initial measurement period (March 1, 2015 – February 29, 2016) and during his initial stability period (April 1, 2016 – March 31, 2017). However, Bill is determined to be a full-time ACA employee during the standard measurement period (October 3, 2015 – October 2, 2016). Therefore, Bill is eligible for the SHP-HDHP during the stability (coverage) period from January 1, 2017 – December 31, 2017.



## Case Study #3

**New Hire position initially working 30 hours a week:** Sam is a new employee hired on February 10, 2015, and the university/institution determines the position is reasonably expected to work at least 30 hours a week, and the position is not considered seasonal, so Sam is considered an ACA full-time employee. Sam is immediately eligible for the SHP-HDHP during his first initial measurement period of March 1, 2015 – February 29, 2016. Sam is measured at the end of his initial measurement period in March of 2016, and is determined to be averaging less than 30 hours a week.

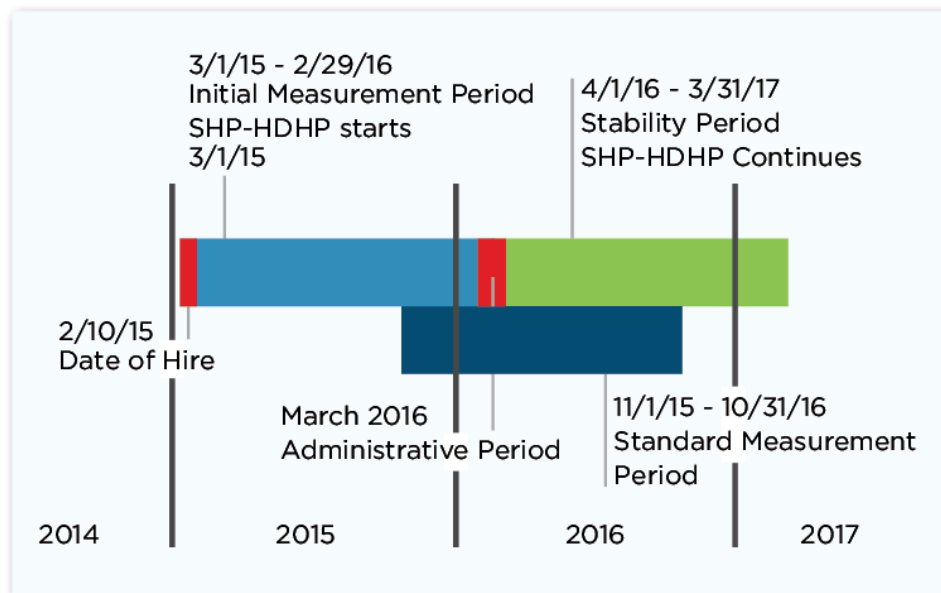
**Result:** Since the university/institution was reasonably expecting Sam's position to work 30 hours a week, Sam was properly determined to be eligible for the SHP-HDHP on the first of the month following his hire date, March 1, 2015, for 12 months, or until February 29, 2016, which is also Sam's initial measurement period. When Sam was measured at the end of his initial measurement period, he did not average 30 hours a week. Sam's SHP-HDHP coverage will end on February 29, 2016. However, Sam is measured again for the standard measurement period October 3, 2015 – October 2, 2016, to determine ACA full-time eligibility.



## Case Study #4

**New Hire position initially working 30 hours a week and after measurement period:** Anna is a new employee hired on February 10, 2015, and the university/institution determines the position is reasonably expected to work at least 30 hours a week, so Anna is considered to be an ACA full-time employee. Anna is immediately eligible for the SHP-HDHP coverage during her first initial measurement period. Anna is measured at the end of her initial measurement period and is determined to be averaging more than 30 hours a week.

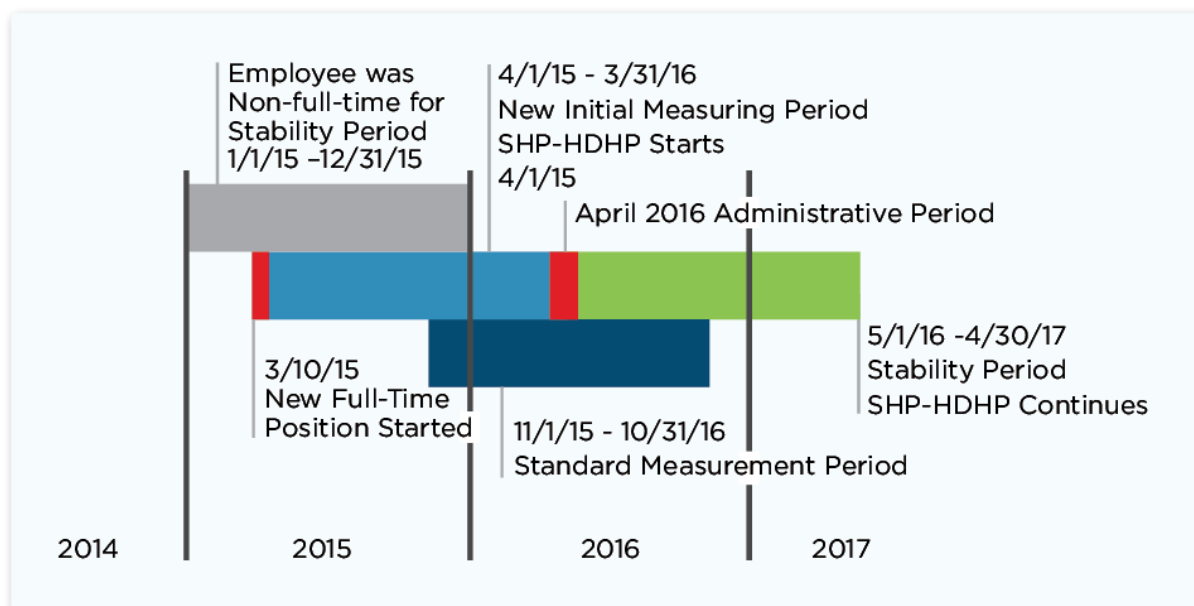
**Result:** Since the university/institution was reasonably expecting Anna to work 30 hours a week, Anna was properly determined to be eligible for the SHP-HDHP the first of the month following her hire date, March 1, 2015, for 12 months, or until February 29, 2016, which is also Anna's **initial** measurement period. When Anna was measured at the end of her initial measurement period, during the administrative period, March 2016, Anna also maintains her SHP-HDHP coverage. When she is measured, Anna averaged 30 hours a week during March 1, 2015 – February 29, 2016. Since Anna was measured as an ACA full-time employee during her **initial** measurement period (March 1, 2015 – February 29, 2016), she can continue the SHP-HDHP coverage during her first stability period (April 1, 2016 - March 31, 2017). However, Anna is measured again after the **standard** measurement period (October 3, 2015 – October 31, 2016) to determine ACA full-time eligibility. If during the standard measurement period, Anna is determined to be a non-full-time ACA employee, her coverage will end on March 31, 2017, the end of her first stability period.



## Case Study #5

**Employment Status Change:** Lisa is an ongoing (continuous) employee at the university, hired on January 1, 2013, who during her first initial measurement period of October 3, 2013 – October 2, 2014, was determined not to be an ACA full-time employee. On March 10, 2015, Lisa is given a new position at the university which is expected to average at least 30 hours a week.

**Result:** Since Lisa’s new position is reasonably expected to work at least 30 hours a week, she is determined to be an ACA full-time employee and is eligible for the SHP-HDHP on April 1, 2015. Lisa starts a new initial measurement period (April 1, 2015 – March 31, 2016). During this time, Lisa is determined to still be an ACA full-time employee, and she can continue the SHP-HDHP coverage during her stability period (May 1, 2016 – April 30, 2017). Lisa also maintains her SHP-HDHP coverage during the administrative period (April 2016). Lisa is measured during the next standard measuring period (if she has worked during the entire measuring period without an ACA break in service) for the standard measuring period of October 3, 2015 – October 2, 2016 to determine ACA full-time eligibility for the calendar year January 1, 2017 – December 31, 2017.





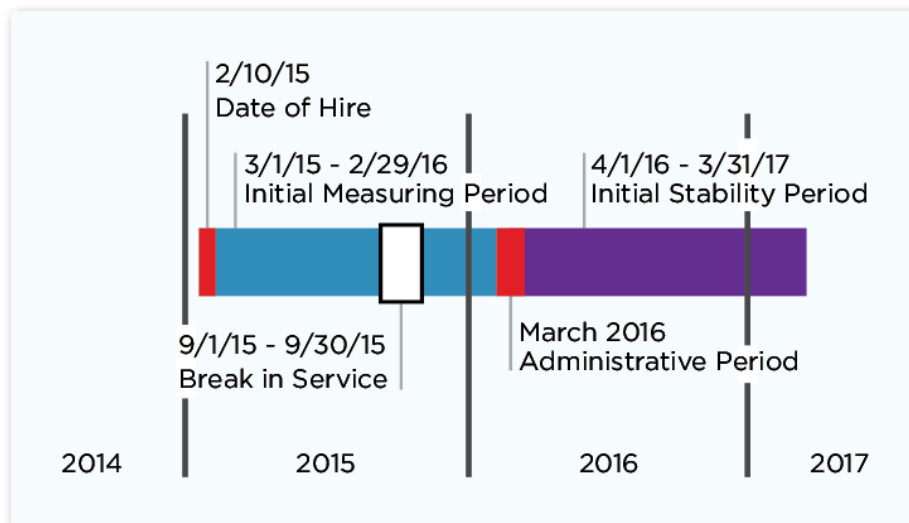
## Case Study #6

**Re-hire: break in service less than 26 weeks:** Karl is a new employee hired on February 10, 2015, by the university and is not reasonably expected to work full-time. Karl's university assignment ends August 31, 2015, and he is separated. Karl is rehired by the university on October 1, 2015, and is not reasonably expected to work 30 hours a week.

**Result:** Because Karl's break in service is less than 26 weeks, Karl will still keep the same initial measurement period of March 1, 2015 – February 29, 2016. Karl's hours during March 1, 2015 – February 29, 2016, and including the non-work time in September 2015, will be measured in March 2016. Depending on his average hours worked, Karl may or may not be determined to be an ACA full-time employee depending on how many hours he has actually worked during the initial measurement period.

If he has worked less than 30 hours per week, then he will maintain his non-full-time status and will be re-evaluated again after the next full standard measurement period (October 3, 2015 – October 2, 2016) in order to determine whether he has worked enough hours to qualify as a full-time ACA employee for the next stability period of January 1, 2017 – December 31, 2017.

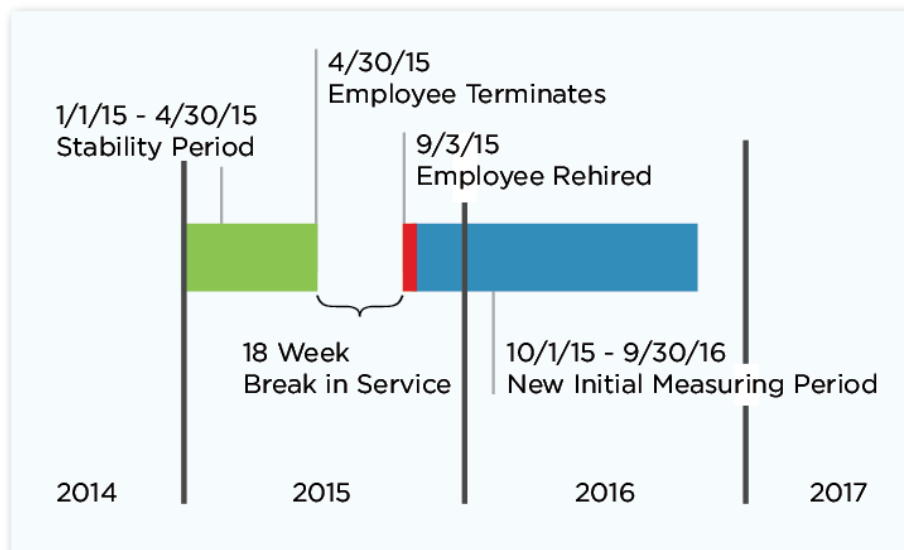
If he has worked an average of at least 30 hours per week when measured in March 2016, Karl will be eligible for ACA coverage as an ACA full-time employee for the time period April 1, 2016 – March 31, 2017. However, Karl will be re-evaluated again after the next full standard measurement period (October 3, 2015 – October 2, 2016) in order to determine whether he has worked enough hours to qualify as a full-time ACA employee for the next stability period of January 1, 2017 – December 31, 2017.



## Case Study #7

**Re-hire—break in service 26 weeks or greater:** Stacy is an ongoing (continuous) ACA full-time employee who was hired on October 13, 2013. She became eligible for the SHP-HDHP when measured during the first standard measurement period (October 3, 2013 – October 2, 2014). Stacy is terminated on April 30, 2015, by the university/institution, and is eligible to COBRA her SHP-HDHP for 18 months from her plan termination. She is later rehired by the university/institution on November 3, 2015, with a break in service of 27 weeks, and upon rehire, she is not reasonably expected to work 30 hours a week.

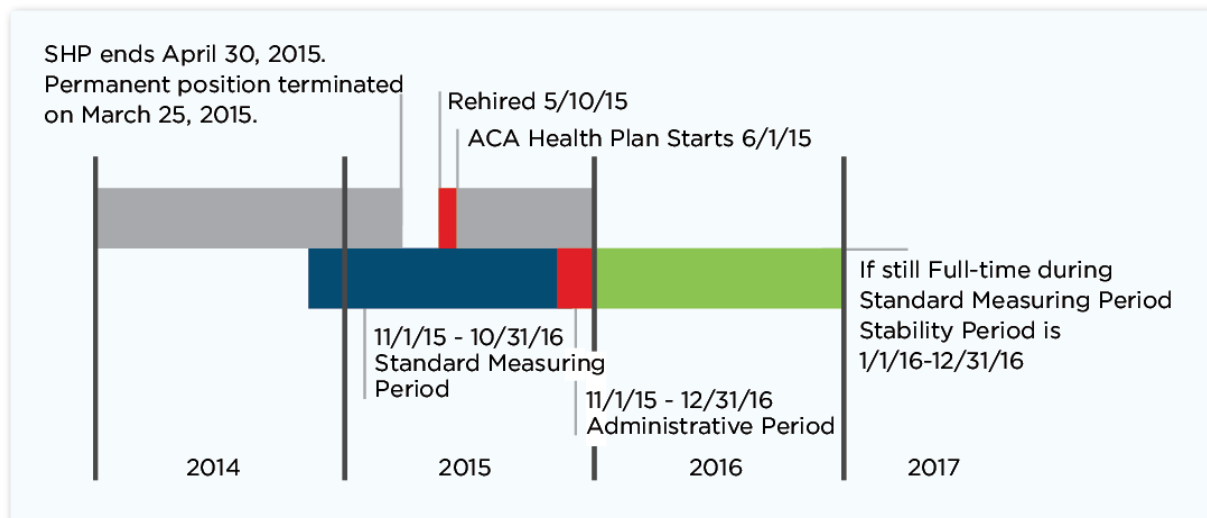
**Result:** Stacy's break in service is greater than 26 weeks, and she is not reasonably expected to work 30 hours a week upon rehire by the university/institution. Stacy is considered a new employee, and she starts a new initial measurement period (December 1, 2015 – November 30, 2016). She is not eligible for the SHP-HDHP when rehired by the university/institution but, if she elected COBRA coverage, she can continue the SHP-HDHP through COBRA.



## Case Study #8

**Perm to Temp—break in service less than 26 weeks:** Sue is a full time permanent employee who is eligible to participate in the SHP on a noncontributory basis. Sue separates from her position with the university/institution on March 25, 2015, and is entitled to maintain her SHP health insurance under COBRA beginning May 1, 2015. After a break in service of 40 days (less than 26 weeks), Sue is rehired by the university/institution in a temporary position on May 10, 2015, and is not reasonably expected to work more than 30 hours per week.

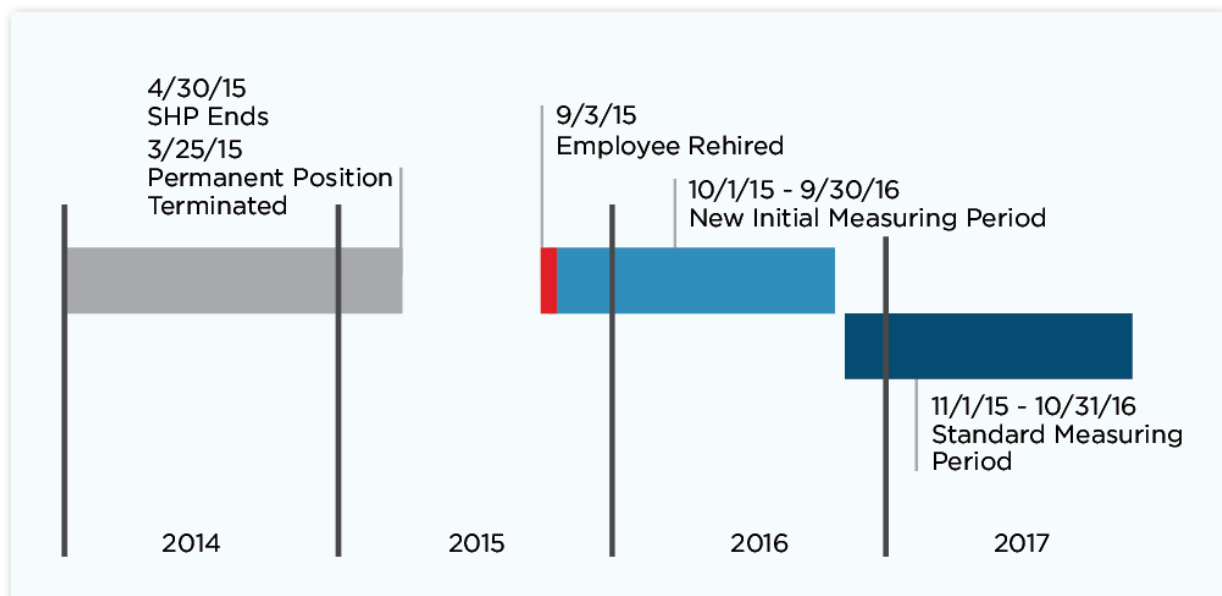
**Result:** Sue’s permanent employment period and temporary employment are used to determine Sue’s ACA eligibility as an ongoing (continuous) employee because her break in service is less than 26 weeks, and she is not reasonably expected to work more than 30 hours per week. Since Sue continues to be considered an ACA full-time employee during the stability period (January 1, 2015 – December 31, 2015), she is eligible to start the SHP-HDHP on June 1, 2015. Sue is measured again during the next standard measurement period (November 1, 2014 – October 31, 2015). If Sue is determined to be averaging 30 hours a week during this standard measurement period, her new stability period is January 1, 2016 – December 31, 2016. If Sue is determined not to be averaging 30 hours a week, her SHP-HDHP eligibility ends on December 31, 2015.



## Case Study #9

**Perm to Temp—break in service 26 weeks or greater:** Bob is a full time permanent appointment employee with SHP eligibility. Bob separates from his active employment position with the university/institution on March 25, 2015. Bob is rehired by the university/institution in a temporary position on November 3, 2015, after a break in service of more than 26 weeks, and he is not reasonably expected to work more than 30 hours a week. Bob is entitled to COBRA and his SHP insurance becomes effective May 1, 2015.

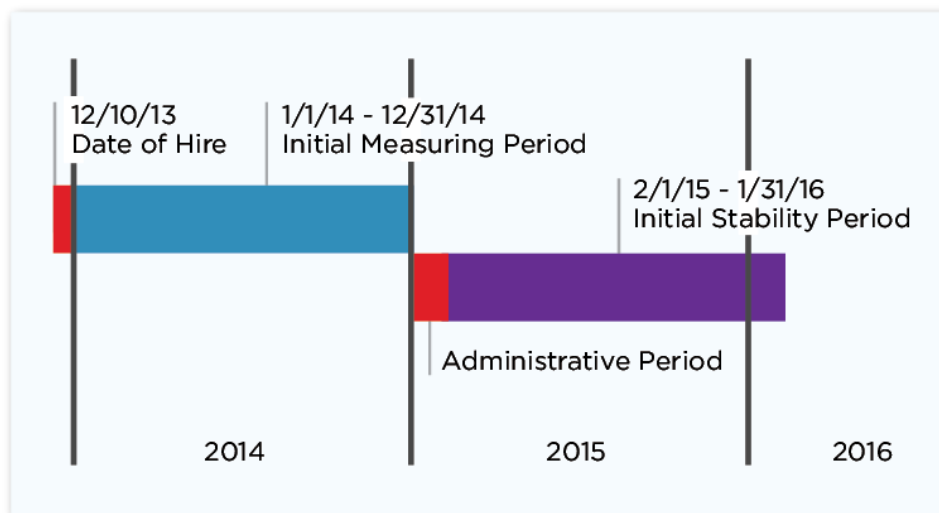
**Result:** Bob's break in service is greater than 26 weeks, so he is considered a new employee. Bob starts a new initial measurement period (December 1, 2015 – November 30, 2016) at which time he could become eligible for the SHP-HDHP coverage beginning December 1, 2016, for the stability period of December 1, 2016 – November 30, 2017. Bob's first standard measurement period will be October 3, 2016 – October 2, 2017, and if eligible would be entitled to SHP-HDHP for the period of January 1, 2018 – December 31, 2018.

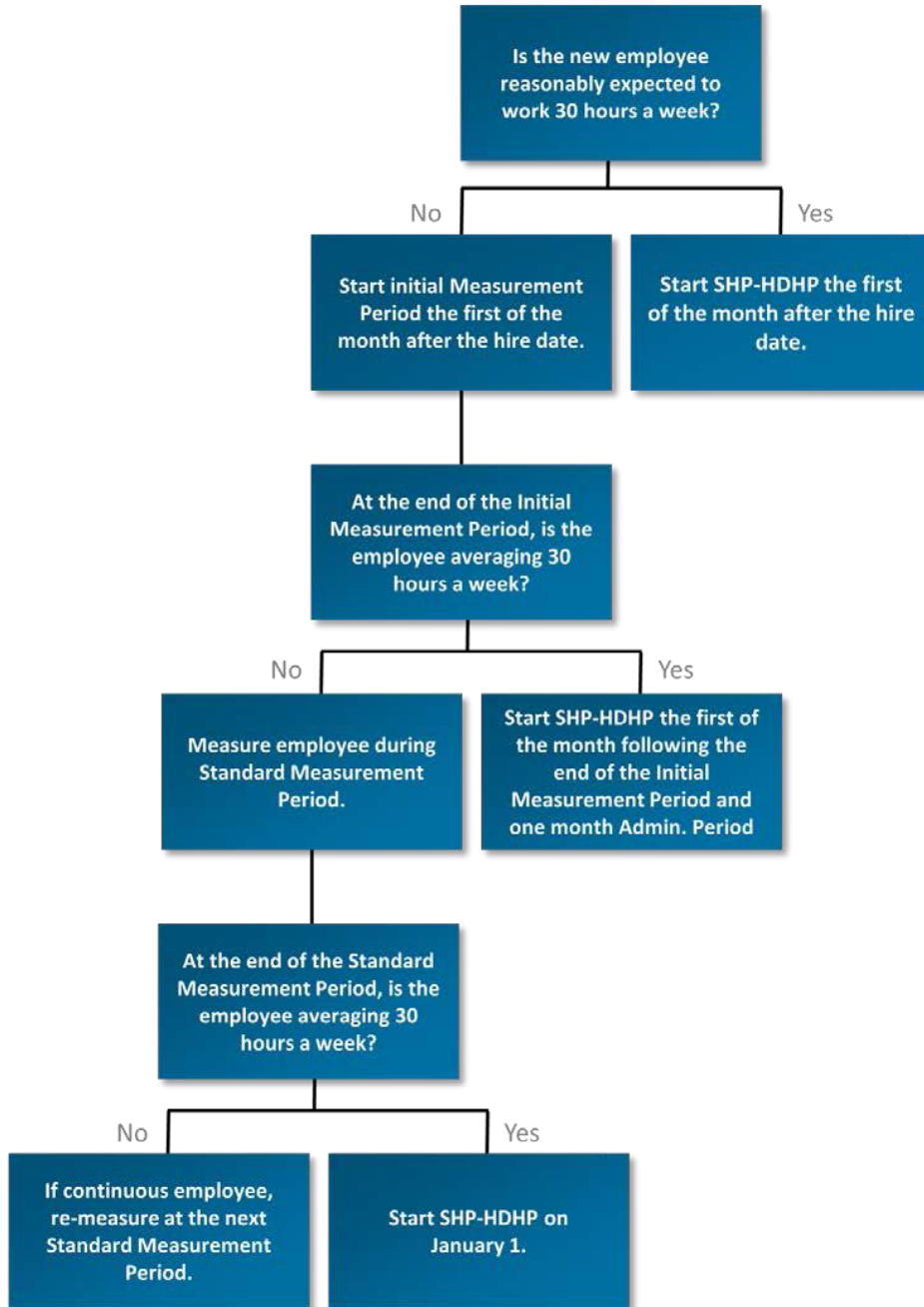


## Case Study #10

**Current employee with less than 12 months on October 3, 2014:** David was hired December 10, 2013, and is still working for the university/institution. In October 2014, during the initial ACA enrollment period, he is not reasonably expected to work at least 30 hours a week.

**Result:** Because David did not work the entire standard measurement period (October 3, 2013 – October 2, 2014), he cannot be measured for that standard measurement period. David will be measured after one full year on the payroll, or for his initial measurement period (January 1, 2014 – December 31, 2014). During January 2015, his one-month administrative period, his full-time eligibility for the SHP-HDHP will be measured during his initial measurement period (January 1, 2014 – December 31, 2014). If he has worked an average of at least 30 hours a week between January 1, 2014, and December 31, 2014, then he will be eligible for the SHP-HDHP for his initial stability period of February 1, 2015 – January 31, 2016.





<Date>

<First Name, Last Name>

<Street Address>

<City, State, ZIP>

Dear <First Name>,

According to our records, you are averaging 30 or more hours a week, and you are now eligible to enroll in the State’s High Deductible Health Plan (HDHP) offered through the State Health Plan. You have 30 days to complete your enrollment. Your eligible HDHP coverage period begins on <plan start date> and could end after 12 months, unless your employment ends prior to the 12 months, or you are determined to still be eligible.

Benefit information for the HDHP is available with from <insert appropriate location/contact info>. Additional information can be found on <insert your web link here or the State Health Plan website at [www.shpnc.org](http://www.shpnc.org)>. If you have not already received the enrollment guide, please request this information from <insert appropriate contact info here>. If you choose to enroll, you will be responsible for paying premiums directly to the vendor, as these premiums will not be deducted from your pay.

**To complete your enrollment:**

<Insert enrollment instructions or use the following – if this is your process> Visit [www.shphdhp.com](http://www.shphdhp.com) to enroll in benefits, or call the vendor (COBRAGuard) directly for enrollment assistance at 855-422-6272.

If you do not wish to enroll in the HDHP plan and are waiving your enrollment, please initial below and return this letter to <insert return information here>. Regardless of your decision, please initial below to acknowledge receipt of this insurance eligibility notification offer and return a copy of this letter to <insert return information here>.

\_\_\_\_\_ I wish to waive my enrollment in the State’s High Deductible Health Plan.

\_\_\_\_\_ I acknowledge receipt of this notification.

Thank you,