

Aitkin County Board of Commissioners
Request for County Board Action/Agenda Item Cover Sheet

2N
Agenda Item #

To: Chairperson, Aitkin County Board of Commissioners Date: 4-16-14

Via: Roxy Traxler, Interim County Administrator

From: Bobbie Danielson, Human Resources Manager 

Title of Item:

Policy Update, Section 5.1, Group Insurance and Affordable Care Act Policy

Requested Meeting Date: 4-22-14 Estimated Presentation Time: _____

Presenter: Bobbie Danielson, Human Resources Manager

Type of Action Requested (check all that apply)

- For info only, no action requested
- Approve under Consent Agenda
- For discussion only with possible future action
- Adopt Ordinance Revision
- Let/Award Bid or Quote (attach copy of basic bid/quote specs or summary of complex specs, each bid/quote received & bid/quote comparison)
- Approve/adopt proposal by motion
- Approve/adopt proposal by resolution (attach draft resolution)
- Authorize filling vacant staff position
- Request to schedule public hearing or sale
- Other (please list) _____
- Request by member of the public to be heard
- Item should be addressed in closed session under MN Statute _____

Fiscal Impact (check all that apply)

- Is this item in the current approved budget? Yes No (attach explanation)
- What type of expenditure is this? Operating Capital Other (attach explanation)
- Revenue line account # that funds this item is: _____
- Expenditure line account # for this item is: _____

Staffing Impact (Any yes answer requires a review by Human Resources Manager before going to the board)

- Duties of a department employee(s) may be materially affected. Yes No
- Applicable job description(s) may require revision. Yes No
- Item may impact a bargaining unit agreement or county work policy. Yes No
- Item may change the department's authorized staffing level. Yes No


HR Review

Supporting Attachment(s)

- Memorandum Summary of Item
- Copy of applicable county policy and/or ordinance (excerpts acceptable)
- Copy of applicable state/federal statute/regulation (excerpts acceptable)
- Copy of applicable contract and/or agreement
- Original bid spec or quote request (excluding complex construction projects)
- Bids/quotes received (excluding complex construction projects, provide comparison worksheet)
- Bid/quote comparison worksheet
- Draft County Board resolution
- Plat approval check-list and supporting documents
- Copy of previous minutes related to this issue
- Other supporting document(s) (please list) _____

Provide eleven (11) copies of supporting documentation NO LATER THAN Wednesday at 12:00 pm to make the Board's agenda for the following Tuesday. Items WILL NOT be placed on the Board agenda unless complete documentation is provided for mailing in the Board packets. (see reverse side for details)

AITKIN COUNTY HUMAN RESOURCES

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To: Aitkin County Commissioners
Roxy Traxler, Interim County Administrator

From: Bobbie Danielson, HR Manager 

Date: April 16, 2014

Subject: Policy Update, Section 5.1, Group Insurance and Affordable Care Act Policy

Background Information

The Personnel Policy Manual is updated on an on-going basis. The proposed changes to Section 5.1 will amend the existing health insurance eligibility language from 32 to 30 hours per week, consistent with the insurance contracts and Affordable Care Act (ACA) requirements. In addition, a new section related to administering provisions of the ACA was added. In part, this new language outlines measurement periods, how variable hour employees' time will be tracked, and which health insurance plan will be offered to variable hour employees who work 30 or more hours per week on average. To the extent that federal statute or regulations change, this policy shall be construed as consistent with those changes.

This was sent to department heads for review and input on April 8, 2014, and discussed at the April 10, 2014, Department Head meeting. Payroll has also had the opportunity to review and provide input.

Language ~~removed~~ is marked as strikethrough.
Language added is underlined.

Action Requested

Motion to adopt the Group Insurance and Affordable Care Act Policy, Section 5.1, as proposed; noting this replaces the current Section 5.1 Insurance – Medical, Life and Long Term Disability policy.

~~Strikethrough denotes text removed.~~
Underlined denotes text added.

ARTICLE 5: EMPLOYEE BENEFITS AND SERVICES

~~**SUBJECT 5.1: INSURANCE – MEDICAL, LIFE AND LONG
TERM DISABILITY**~~

**SUBJECT 5.1: GROUP INSURANCE AND AFFORDABLE CARE
ACT POLICY**

Effective: ~~11/28/00, revised 8/10/04~~

Adopted: 4/22/2014 [pending board approval]

GROUP INSURANCE:

Purpose

To provide medical, life and long term disability insurance to employees of Aitkin County.

Summary

All full time, permanent employees, who work a minimum of ~~thirty two (32)~~ thirty (30) hours per week are entitled to health and life insurance provided by Aitkin County. Those who are eligible for medical insurance and can prove that they are already covered by a different policy are not required to sign up for a plan provided by Aitkin County.

Some agreements entitle employees to Long-Term Disability benefits after six (6) months of continuous employment with Aitkin County.

The effective date of coverage shall be based upon the specific policy.

Select voluntary benefits are also available for employees to purchase, including dental insurance, supplemental life insurance, short-term disability insurance, long-term disability insurance, long-term care insurance, and critical illness voluntary insurance policies.

Refer to applicable agreements for additional details and employer contribution rates.

AFFORDABLE CARE ACT (ACA) POLICY:

In March 2010, Congress enacted and President Obama signed major reform legislation – the Patient Protection and Affordable Care Act (commonly called PPACA, ACA, or “Obamacare”) (Pub.L. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152). This represents the most significant regulatory overhaul of the U.S. healthcare system since the passage of Medicare and Medicaid in 1965. The law includes hundreds of new requirements packed into thousands of pages of rules that affect the delivery and administration of employer-sponsored group health plans. The rules, as applied to employer-sponsored group health plans, generally fall into one of seven general categories, namely: 1) effective dates and grandfathering; 2) qualifying coverage mandates (insurance reforms); 3) employer mandates (play-or-pay provisions); 4) reporting and disclosure requirements; 5) individual mandates; 6) tax issues (revenue generating rules); and 7) the exchange program.

To the extent that federal statute or regulations change, this policy shall be construed as consistent with those changes.

Purpose

To comply with requirements of the Affordable Care Act and to offer health care coverage to “substantially all” full-time employees, effective January 1, 2015.

Definitions

Employer: Aitkin County

Full-time Employee: For purposes of this Affordable Care Act (ACA) policy, full-time means an employee working 30 or more hours per week on average or 130 or more hours per month on average.

Variable Hour Employee: For purposes of the Affordable Care Act (ACA), variable hour employee means an employee working in a position classified as part-time, seasonal, temporary, or intermittent. The employer will use a look back period to determine each variable hour employee’s full-time status by looking back 12 months to analyze whether the employee worked an average of 30 or more hours per week on average or 130 or more hours per month on average.

Substantially All: Substantially all full-time employees is defined as 95% of employees working 30 or more hours per week on average or 130 or more hours per month on average. The employer is not subject to a penalty if 5% of employees working 30 or more hours per week on average or 130 or more hours per month on average are not offered health care coverage.

Measurement Periods

Standard measurement period, 12 months (October 15 – October 14)

Administrative period not to exceed 90 days (October 15 – December 31)

Stability period, 12 months (January 1 – December 31)

For Positions Classified as Full-time

Employees who are expected to be full-time, working 30 or more hours per week on average or 130 or more hours per month on average, during the standard measurement period will be offered health coverage under the employer's health insurance plan during new hire orientation.

For Positions Classified as Variable Hour (aka Part-time, Seasonal, Temporary or Intermittent)

The employer will implement a standard measurement period of 12 calendar months to determine whether or not a variable hour employee is eligible for health coverage under the employer's health insurance plan. The standard measurement period will be from October 15th through October 14th of each calendar year.

If an employee is determined to be full-time during the standard measurement period, they will be treated as full-time during a subsequent stability period, regardless of the number of hours they work during the stability period. The employer will implement a stability period of 12 calendar months during which a variable hour employee, determined to be full-time in the standard measurement period, will be eligible for health coverage under the employer's health insurance plan. The stability period will be from January 1st through December 31st of each calendar year.

If an employee is determined to be eligible for health insurance coverage through the standard measurement period, the employer has up to 90 days to enroll the employee in the employer's health insurance plan. An administrative period will be used to determine eligibility and to facilitate notification and enrollment of employees. This administrative period will be from October 15th through December 31st of each calendar year. During this period, eligible variable hour employees will be given a two-week open enrollment period to enroll in health coverage under the employer's health insurance plan which will be in effect for the upcoming stability period/plan year. (Note: Variable hour employees are not eligible for other insurance benefits, such as dental, life, long-term or short-term disability, long-term care insurance, or FSA plan enrollment.)

Unless mandated otherwise by the Local 49 or Teamsters Health Fund agreement, all eligible variable hour employees will be offered coverage on one plan, the BCBS \$5,000/\$10,000 HDHP, during the stability period. The employee and employer contributions towards this plan shall be established by the County Board and calculated in the same manner as defined in the agreement between Aitkin County and AFSCME Council 65, Local Union #667 (Courthouse Unit). In the event the health insurance provisions or contribution rates fail to meet the requirements of the Affordable Care Act and its related regulations or cause the Employer to be subject to a penalty, tax or fine, the Employer may amend contribution rates or implement alternative provisions so as to comply with the Act and avoid any penalties, taxes or fines for the Employer.

If funds are not available in a department's budget to cover the cost of health insurance, the Department Head may submit a written request to the County Administrator to reduce the employee's work hours to less than 30 hours per week or less than 130 hours per month to avoid

the obligation to offer health care coverage. Said request will generally be approved if it is not prohibited by the terms of a collective bargaining agreement.

Rehired Seasonal Employees

Seasonal employees work up to 67 days per calendar year. For ease of recordkeeping, seasonal employees will be required to be inactive (zero hours of work) for a period of 26 consecutive weeks between work seasons.

An employee who is rehired and had no active service with the employer for a period of 26 consecutive weeks will be treated as a new employee and will be evaluated by the employer during the standard measurement period to determine if the employee is eligible for health insurance benefits during a subsequent stability period.

Active service is based on all hours combined with the employer and is not separated or tracked individually by department.

Opt-out Health Insurance Waivers

Employees who elect to waive coverage will be required to do so in writing. The employer does not provide a cash in-lieu of health insurance benefit.