Affordable Care Act (ACA) Rehire Guidance
ACA Review

- ACA was a Mandate
- Most Mandate miles completed
- Cadillac Tax 2020
- Subsidy Notices
- Implementation of 13/26 rehire rule
ACA Rehire Definition

- Two definitions of Employees
  - New employees
  - On-going Employees
ACA Rehire Definition

- Ongoing Employees Definition
  
  An employee who has been employed for at least one complete “standard measurement period” and has not had the required separation as defined by the ACA regulations of 26 weeks.

*Higher Education definition for break in service
• State of Virginia’s Position
  – Agencies must not re-hire former fulltime or quasi-fulltime agency employees into wage positions until the employees have been separated for a minimum of 26 weeks.

• UVA’s Position
  – Being a self-funded health plan and understanding the business requirements of our organization we have determined another approach to the rehire provision
ACA Rehire Solution

• UVA’s solution in meeting the rehire provision of the ACA for employees that left Salaried Permanent FT position:
  – Rehired back into a Salaried Permanent FT position or;
  – These Employees can come back in a Wage positon

  – WHY??
  – WHAT??
  – How Long??

• Must offer Minimum Value and Affordable coverage if no 26 week break in service
• Our Wage Employee basic medical plan (predominately used in the medical center) meets the ACA definition of Minimum Value and Affordable coverage
• Until the next Standard Measurement period (as long as their hours average less than 30 hours a week)
## ACA Rehire Grid Overview

<table>
<thead>
<tr>
<th>Position</th>
<th>Activity</th>
<th>Rehire Outcome, if rehired before 26 weeks break in service</th>
<th>Rehire Outcome, if rehired after 26 week break in service</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>FT Staff (Academic/Medical Center) 12 Month Faculty</td>
<td>Retired under Early Retirement Incentive Plan (ERIP)</td>
<td>Employee retired under ERIP cannot be rehired without VP approval. Must be rehired in a wage or Temp position. Will be offered Wage Basic health plan. Employee can waive or elect coverage.</td>
<td>Employee retired under ERIP cannot be rehired without VP approval. Must be rehired as wage or in a Temp position.</td>
<td>Retirees cannot be rehired as part-time/full-time salaried without suspending retiree status. See also normal retirement rule: Must have a 30 day break in service before returning in a wage or temp position.</td>
</tr>
<tr>
<td>Professional Research Staff Non-12 month Faculty</td>
<td>Normal Retirement</td>
<td>Must be rehired in a Wage or Temp position. Will be offered Wage Basic health plan. Employee can waive or elect coverage.</td>
<td>Normal rehire process; ACA 1500 hour requirement not applicable</td>
<td>Retirees cannot be rehired as part-time/full-time salaried without suspending retiree status. See also normal retirement rule: Must have a 30 day break in service before returning in a wage or temp position.</td>
</tr>
<tr>
<td></td>
<td>Rehire from Resignation</td>
<td>Not eligible for part time salaried employment. Can be rehired as Wage or Temp. Will be offered Wage Basic health plan. Employee can waive or elect coverage. Can be rehired full time salaried. Will be offered health plans available to full time employees.</td>
<td>Normal rehire process; ACA 1500 hour requirement not applicable</td>
<td>Wage and Temp assignments will be monitored from October to October to determine on-going eligibility for Health Plan coverage. There is the potential for these employees to continue on the health plan for the next calendar year based on the hours worked during the look back period.</td>
</tr>
<tr>
<td>Status Changes</td>
<td>A termination record drives the 26-week break in service rule. Changing employee statuses (i.e. promotions, reduction in hours, increase in hours, Wage to Full-time, placing employee on leave) does not trigger a termination event.</td>
<td></td>
<td></td>
<td>The system will utilize their status as the basis for benefits eligibility. Wage to FT status change will trigger benefits eligibility</td>
</tr>
</tbody>
</table>

Note on non-12 month faculty: VRS states: A validated break in service is a break of at least one full calendar month from your retirement date over a period you normally would work. Periods of leave with or without pay do not count towards satisfying this break in service. For retired teachers and faculty members, summer breaks, intersession periods, educational leave and sabbaticals also do not count toward satisfying this break.
Clarification Summary:

• A termination record is the trigger for the rehire rule clock to begin. The “end of an assignment” doesn’t necessarily mean end of employment.

• All Positions have a 12 month look back period even if they are in a non 12 month position.

• Clinical Physicians moving between Academic-Med Center to UPG or vice-versa are not required to follow this rule as they are a separate entity and Health Plan.
**Implementation Plan:**
- Outsourcing the following functions:
  - 1500 hours reporting
  - 1095C/1094C processes
  - rehire validation
  - Vendor: Hodges-Mace

- **Timeline:**
  - 8/1/2016: Oracle upgrade completed
  - 10/15/2016: go live with vendor

- **Communication:**
  - 11/1/2016: Communication begins
  - 12/1/2016: Effective Date of on-boarding rehires
Timely Terminations and Back Dating Terminations:

- Cobra mandates the notice for continuation of health coverage upon termination of employment within 30 days of health coverage ending.
- If a timely notification is not provided to all covered participants a fine of $100.00 a day can be levied against an organization, plus if considered habitual in nature penalties can be applied for consistent non-compliance.
- Not only a compliance concern but an impact on how we treat people even when they have terminated employment with us. Our brand is impacted when this happens.