

## Medical Plan Contingency Fund for Workers' Compensation

**Background** This supplement describes the Medical Plan Contingency Fund, which may be used to assist campus, medical center, and lab locations by reimbursing them the cost of continuing medical insurance for an employee during an extended workers' compensation leave.

In 1963, The Regents approved the "Health Plan Contingency Reserve Fund" to meet contingencies arising out of the operation of the University's group health insurance program, including payment of the cost of coverage for employees who have been disabled while in University employment and are receiving workers' compensation payments.

**Eligibility** To be eligible to receive reimbursement for the cost of medical plan coverage for employees for a particular month, the University location must certify all of the following:

- The employee whose medical plan is being continued is receiving temporary disability (TD) payments under workers' compensation in connection with University employment. (Employees who remain on unpaid leave of absence while receiving vocational rehabilitation maintenance allowance (VRMA) payments or permanent disability (PD) payments are not eligible for continuation of the University contribution towards coverage of the medical plans. They may be eligible for continuation of insurance by direct-paying their premiums if they qualify under standard UC continuation rules.)
- The employee whose medical plan is being continued has exhausted all salary, sick leave, or extended sick leave payments from which a premium can be paid. (Use of all accrued vacation leave is not required, nor is use of sick leave earned while on extended sick leave since it may not be used until return to work. The employee may also be receiving benefits under the Supplemental Disability Plan.)
- The employee whose medical plan is being continued is not separated and continues in employment status with UC on a leave of absence for at least one day of that month.
- The employee whose medical plan is being continued has maintained continuous medical plan coverage prior to becoming eligible.
- Premiums for the employee whose medical plan is being continued have been transmitted on the monthly, active enrollment file for the month(s) of coverage requested.

Note: Employees who experience a COBRA qualifying event (such as a leave without pay) must be kept advised of their rights under COBRA. The COBRA continuation coverage period includes, and is not in addition to, any continuation provisions under UC's Group Insurance Regulations, such as continuation during workers' compensation temporary disability via the Medical Plan Contingency Fund.

Eligibility for continuation of medical plan premiums by UC does not preclude other employment actions by the University.

### Campus & Medical Center Procedures

Once an eligible employee's paid leave is over and he/she begins an unpaid leave of absence, medical insurance may be continued without the need for the employee to pay any necessary employee contribution. Employees whose medical plan is being continued during workers' compensation temporary disability will remain on the location's file of active employees submitted to the insurance carriers and the employee's location will pay the gross premium. UCOP HR/Benefits Accounting will then make reimbursement to the University location.

# Group Insurance Regulations Administrative Supplement III-A January 2015

The UC location must submit a written request for reimbursement to UCOP HR/Benefits Accounting for each month it requests payment from the fund. (See form attached). UCOP cannot provide reimbursement unless the location provides proof that the premiums were paid.

As with carrier payments for all other "active" employees, retroactive adjustments to reverse or add coverage must be passed on the monthly "active" carrier transmission by the local offices (within 60 days only). However, reimbursement from UCOP HR/Benefits Accounting under the Medical Plan Contingency Fund is not limited to these rules. As long as locations have continued the coverage by including employees on the standard eligibility file, they may submit requests for reimbursement to UCOP at any time.

## **PPS Examples** *Example 1:*

Location knows in July that individual will be entitled to continuation of medical insurance, funded by the Medical Plan Contingency Fund, for August. Location codes EDB record such that a carrier payment for 8/1 will be generated and included in consolidated billing. Once the payment is made, the location may submit a request form and HR/Benefits Accounting will reimburse the location.

## *Example 2:*

Location does not find out until August that individual was entitled to continuation of medical insurance, funded by the Medical Plan Contingency Fund, for July, as well as for August. Location updates EDB to pass a retroactive payment for July and a regular payment for August. If the location submits a reimbursement form plus appropriate documentation to HR/Benefits Accounting, then HR/Benefits Accounting can reimburse the location.

## *Example 3:*

Location assumes in July that individual will be entitled to continuation of medical insurance, funded by the Medical Plan Contingency Fund, for August. Location codes EDB record such that a carrier payment for 8/1 is generated and included in consolidated billing. Location discovers while preparing reimbursement request form that individual was no longer receiving workers' compensation TD and was not eligible. Location reverses carrier payment in the "active" file for 9/1 (within 60 day guideline) and notifies employee of end of coverage. No reimbursement request is sent to HR/Benefits Accounting.

Employees who remain on approved leave once their workers' compensation TD ends may still be eligible to continue medical plan coverage for up to a total of two years (including prior periods of paid leave [i.e. sick leave and extended sick leave], FMLA, disability, and medical contingency); however, they must pay 100% of the gross premium.

## *Example 4:*

Location finds out in September that individual was not eligible for continuation of medical insurance, funded by the Medical Plan Contingency Fund, because the employee's temporary disability ended May 1. Although the location cannot pass the reversal (beyond 60 days) on the carrier file, the location must notify HR/Benefits Accounting to reverse any ineligible reimbursements made from the Medical Plan Contingency Fund to the location. The location would be responsible for the inaccurate contribution towards the medical plan; any employee contributions may be collected for the months of coverage which are not reimbursed through the Fund if the employee is allowed to continue coverage.

Employees who remain on approved leave once their workers' compensation TD ends may still be eligible to continue medical plan coverage for up to a total of two years (including prior periods of paid leave [i.e. sick leave and extended sick leave], FMLA, disability, and medical contingency); however, they must pay 100% of the gross premium.

**MEDICAL PLAN CONTINGENCY FUND  
REIMBURSEMENT REQUEST FORM**

This is to request reimbursement of the gross amount of the medical plan insurance premiums from the Medical Plan Contingency Fund established by The Regents for the following employee:

**EMPLOYEE'S NAME** \_\_\_\_\_

**SSN#** \_\_\_\_\_ **EMPLOYEE I.D.#** \_\_\_\_\_

**MEDICAL PLAN** \_\_\_\_\_

**PREMIUM AMOUNT (gross)** \_\_\_\_\_

**COVERAGE LEVEL:**

SINGLE (U)    ADULT PLUS CHILD(REN) (UC)    TWO ADULTS (UA)    FAMILY (UAC)

**MONTH(S)/YEAR FOR WHICH COVERAGE IS REQUESTED:**

Jan 201	—	April 201	—	July 201	—	Oct 201	—
Feb 201	—	May 201	—	Aug 201	—	Nov 201	—
Mar 201	—	June 201	—	Sept 201	—	Dec 201	—

Enclosed is the backup documentation supporting the coverage month and code.

I certify that the above named employee has met the following eligibility requirements:

1. Employee received temporary disability (TD) payment under Worker's Compensation for the months of coverage (not VRMA or PD).
2. Employee received no salary, sick leave, or extended sick leave payment from which a health plan deduction can be made.
3. Employee has not been separated and continues in employment status.
4. Employee's coverage has remained continuous.
5. Medical insurance premiums for employee have been transmitted on the monthly, active enrollment file for the month(s) of coverage listed above.

I also certify that our office will notify UCOP HR/Benefits if any future adjustments are necessary for months in which medical plan insurance premiums were reimbursed from the Medical Plan Contingency Fund.

**BENEFITS REPRESENTATIVE**

**UC LOCATION**

**PHONE**

\_\_\_\_\_  
(please print)

\_\_\_\_\_  
(signature)

\_\_\_\_\_  
(date)

\_\_\_\_\_  
(email address)

RETURN COMPLETED FORM TO:

UCOP BENEFIT PLAN ACCOUNTING  
300 LAKESIDE DRIVE, 10TH FLOOR  
OAKLAND, CA 94612  
FAX: 1 (510) 217-9388

(Form revised on 04/09/2014)