

Academic Affairs Manual (ACD)

ACD 601–01: Health and Dental Coverage

Effective: 7/1/1978

Revised: 3/1/2000

Purpose

To provide eligible faculty and academic professionals with group health and dental coverage

Sources

Consolidated Omnibus Budget Reconciliation Act (COBRA)

Internal Revenue Code § 125

Arizona Administrative Rules and Regulations, R2-5-602 (Supp. 1983–84)

Arizona Board of Regents Policy Manual - 6–604

Applicability

Faculty and academic professionals who:

1. are employed to work 20 hours per week (50 percent FTE) or more for a continuous period of six or more months
and
2. are qualified to participate in and are making contributions to an approved state or optional retirement program unless exempted by law.

Policy

General

The Arizona State Employees Group Health Insurance Program offers group health and dental coverage. Premium costs are shared by the employee and the university.

Payroll deductions for medical and dental premiums are made only on a pretax basis, thereby reducing Social Security and federal and state income taxes. These benefits are not offered on an after-tax basis.

Coverage Effective Dates

A [faculty member](#) or [academic professional](#) who signs the enrollment form by the 20th day of the month in which he or she was hired will have health/dental coverage effective the first day of the following month. A new faculty member or academic professional who does not sign the application until the 21st day of the month, or later, will have health/dental coverage effective the first day of the second month.

Example

1. If the employment date is October 5, and the faculty member or academic professional signs on or before October 20, the health/dental coverage will be effective on November 1.
2. If the employment date is October 5, and the faculty member or academic professional signs on or after October 21, the health/dental coverage will be effective on December 1.

Changes to Coverage

Both individual and dependent coverage are available. Coverage selected will remain in force unless changed during the annual open enrollment period. Because medical/dental coverage is offered as a pretax benefit, [employees](#) cannot change before the open enrollment period except for [family](#) status changes, i.e., marriage or divorce, death of a spouse or [child](#), birth, adoption, or change in dependent status of a child, or a change in spousal employment. Faculty members or academic professionals are able to add dependents or delete them from coverage only during open enrollment or as a bonafide family status change.

A terminating faculty member or academic professional has 60 calendar days to elect continuation of group coverage under the Consolidated Omnibus Budget Reconciliation Act (COBRA). This coverage is available on a direct-pay basis for 18 months.

Medicare and Social Security

Faculty members, academic professionals, and their dependent spouses will become eligible for Medicare upon reaching the age of 65. The State Health Insurance Program requires the transfer of enrollment for faculty, academic professionals, or spouses reaching the age of 65. The employee is responsible for contacting the Social Security Administration before reaching the 65th birthday and for assuring similar action on the part of the spouse. While Human Resources (HR) attempts to advise each faculty member or academic professional in advance of the need for a change in plan, HR cannot assure that notification will be given. The faculty member or academic professional does not have to retire or receive Social Security benefits in order to enroll in Medicare.

Procedures

Health/Dental Selection

The faculty member or academic professional selects and completes the appropriate application for selected coverage at orientation. Human Resources (HR) submits the health insurance application to the State Department of Administration to be forwarded to the company.

Health/Dental Cancellation or Changes

Subject to qualifying family status change or open enrollment, the faculty member or academic professional visits Human Resources to complete the necessary documentation. Human Resources stops payroll deduction of the premium and notifies the State Department of Administration of the cancellation.

Health/Dental Claims (Indemnity)

The faculty member or academic professional completes the appropriate section of the claim form and attaches the original copy of the physician's or pharmacy's bill and forwards to carrier.

Health Claims (HMO)

The faculty member or academic professional pays fees at time of the visit. No claim forms are required.