

Clarification on Maximum 43 Percent Appointment Requirement Concerning Health and Welfare Benefits

Policy Provisions in Proposed Policy APM - 205:

205-16-a Restrictions

Compensation for recall appointments may not exceed a total of 43 percent time for each fiscal year, inclusive of all recall appointments.

205-20-f Terms and Conditions of Employment Percentage of Effort

All concurrent recall appointments must be included when calculating the appointment percentage, not to exceed a maximum total of 43 percent time for each fiscal year.

- The 43 percent restriction is based on Medicare's rules governing responsibility for payment of health care and welfare benefit claims ("health care claims") for covered retirees or the retiree's covered spouse or partner ("Medicare covered retirees").
- For Medicare covered retirees and retirees with retiree medical coverage (e.g. Health Net, Kaiser, Blue Cross, etc.): Medicare assumes primary responsibility and retirees' medical insurance carrier takes on secondary responsibility for payment for health care claims.
- According to the University's group health insurance plan ("Plan") and University policy, retirees recalled to an academic appointment at over 43.75 percent of a full time appointment receive Plan health and welfare care benefits.
- At the 43.75 percent juncture, according to Medicare rules, the Plan rather than Medicare becomes the primary payer for health care claims made by Medicare covered retirees. Understandably, the University wants to avoid this switch in status from happening and avoid the significant adverse financial impact the Plan appointments of more than 43.75 percent would trigger. By limiting recall appointments to 43 percent or less, the University makes certain that appointments are well under this 43.75 percent threshold-- where primary health care claim responsibility shifts from Medicare to the Plan. Exceeding the percentage maximum for recall appointments may lead to federal funding consequences for the University.

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