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SR82209
Consolidated Billing Automation – Phase I

Objective:

The objectives for this project are:

1. Create a new process for generating adjustment transactions automatically for unmatched health carrier premiums outstanding after 60 days.
2. Create a new transaction type code to identify consolidated billing automated contributions.
3. Modify existing reports to capture and display automatic contributions.

Project Type:

This is an enhancement to an existing process.

Requested by:

Payroll Coordination

Analyst:

Shaun Ruiz
Payroll Coordination

Urgency:

The requested modification is not urgent.

Target Processing Deadline:

Campuses should schedule the release as soon as it becomes available and in the normal sequence for release installations.

Statement of Business Need:

These enhancements to the Consolidated Billing functionality have been identified by the Controllers and the Vice Chancellors-Administration as an extremely important cost-savings measure that will improve the efficiency and timeliness of the Consolidated Billing adjustment process.

Background:

The Consolidated Billing process was implemented in May 2000 in order to facilitate the reconciliation of health care premiums with the employee coverage levels entered in the Employee Data Base (EDB). Subsequently, UCLA implemented a local enhancement to automate the creation of certain Consolidated Billing adjustment transactions.

In response to this Service Request, UCOP IR&C Payroll Maintenance evaluated UCLA's Consolidated Billing enhancement to determine the effort required for integrating the proposed functionality into the Base PPS. The estimate prepared by IR&C is subject to change should additional requirements or tasks arise beyond those described in this Service Request.

Current Process:

Campuses must manually reconcile health care premium payments to the University's liability accounts. The process requires that local Payroll Office staff create adjustment transactions for unmatched balances that are outstanding after 60 days.

Proposed Process:Automatic Adjustment Process

The automatic adjustment process should perform the following tasks:

- Create adjustment transactions for items that are one month older (90 days) than the current adjustment period (typically 60 days)
- Create employer contributions (total premium amount) as one-time DS (Deduction) transactions where the difference between the anticipated premium and the actual premium collected is greater than zero for medical, dental, and vision plans
- Process adjustment transactions automatically into the next pay cycle.
- Charge the appropriate full accounting unit (FAU) by checking current EDB distributions, then the previous month Transfer of Expense (TOE) file. If there is no FAU on the TOE file, the Benefit Default Account would be charged.
- Create a new transaction type for consolidated billing automated contributions.
- Load adjustment transactions to the PAR for audit purposes.

The automatic adjustment process should only attempt to generate one-time contributions. The new process should not attempt to generate refund transactions.

Initial Startup Process

The first month this new process is in place, DS transactions should be generated only for items that are 90 days old. Also, for all subsequent months, DS transactions should be generated only for items that are 90 days old.

Reconciliation Reports

Reports PPP564 and PPP563 should be modified to include an additional column. This new column will be used to indicate that an automatic adjustment has been made (auto adjustment indicator).

Additionally, electronic tab-delimited files of both reports should be made available to all locations.

Report PPP564

The report should include an additional column titled "Auto". This additional column will be used to indicate whether an automated adjustment was made.

Appropriate values include:

- 'Y' – automatic adjustment.
- 'BLANK' –no automatic adjustment.

Also, if an "aged" item is marked as an automatic adjustment (auto adjustment indicator is set to 'Y') then the amount displayed in the "Difference" column should be excluded from the amount displayed in the "Total Diff By Plan" column.

Automatic adjustments should only be retained on the report for one month following the month in which the automatic adjustment took place. For example, a 90 day aged item on a November coverage report should not be contained on the following December coverage report.

For an example of the modified report, please see Attachment A.

Report PPP563

The report should include an additional column titled "Auto". This additional column will be used to indicate whether an automated adjustment was made.

Appropriate values include:

- 'Y' – automatic adjustment.
- 'BLANK' –no automatic adjustment.

Automatic adjustments should only be retained on the report for one month following the month in which the automatic adjustment took place. For example, a 90 day aged item on a November coverage report should not be contained on the following December coverage report.

For an example of the modified report, please see Attachment B.

Attachment A – Revised PPP564 Report

PPP564X/PPPXXX
 RETN: SEE RPTS DISP SCHEDULE

UNIVERSITY OF CALIFORNIA - SYSTEMWIDE
 PAYROLL PROCESSING
 RECONCILIATION BY EMPLOYEE WITHIN DEPARTMENT

PAGE NO. 00001
 RUN DATE: 12/05/08

Home Dept.: XXXXXX Dept. Name: Somewhere Sub Location: Name? Coverage Period: November 2008

Employee Name	Employee ID	Emp. Status	Hire Date	Sep Date	Pay Sch	Total Diff					
Plan Code	Cov Code	EUC/ERC	Cov Month	Plan Cov Eff	Plan Cov End	Premium	Actual	Difference	Age	Auto	By Plan
Doe, John	090909090	Active	01/01/08				MO				
D1 Delta Dental	UAC	99/C	08/01/08			65.23	0.00	65.23	90	Y	0.00
VI Vision Care	UAC	99/C	08/01/08			23.23	0.00	23.23	90	Y	
VI Vision Care	UAC	99/C	09/01/08			23.23	0.00	23.23	60		23.23
Doe, Jane	090985656	Separated	01/01/06				MO				
HN Helth Net	UAC	HX/C	08/01/08			125.23	0.00	125.23	90	Y	
HN Helth Net	UAC	HX/C	09/01/08			125.23	0.00	125.23	60		
HN Helth Net	UAC	HX/C	10/01/08			125.23	0.00	125.23	30		250.46
D1 Delta Dental	UAC	HX/C	08/01/08			65.23	0.00	65.23	90	Y	
D1 Delta Dental	UAC	HX/C	09/01/08			65.23	0.00	65.23	60		
D1 Delta Dental	UAC	HX/C	10/01/08			65.23	0.00	65.23	30		130.46
VI Vision Care	UAC	HX/C	08/01/08			26.25	0.00	26.25	90	Y	
VI Vision Care	UAC	HX/C	09/01/08			26.25	0.00	26.25	60		26.25
Smith, Bob	090562315	Active	09/28/08				MO				
KN Kaiser North	U	HX/C	10/01/08			33.25	0.00	33.25	60		33.25
D3 PMI Dental	U	HX/C	10/01/08			17.85	0.00	17.85	60		17.85
VI Vision Care	U	HX/C	10/01/08			13.86	0.00	13.86	60		13.86

Plan Code	Amount
HN Helth Net	250.46
KN Kaiser North	33.25
D1 Delta Dental	130.46
D3 PMI Dental	17.85
VI Vision Care	63.34
Department Total for All Plans	495.36
Department Employee Count	3

Attachment B – Revised PPP563 Report

PPP563X/PPP563
 RETN: SEE RPTS DISP SCHEDULE

UNIVERSITY OF CALIFORNIA - SYSTEMWIDE
 PAYROLL PROCESSING
 RECONCILIATION CARRIED FORWARD

PAGE NO. 00001
 RUN DATE: 12/05/08

Plan Code: D1 Delta Dental

Sub Location: Name?

Coverage Period:

November 2008

Employee Name	EID	EUC/ERC	Plan Cov Eff Date Emp Status Code	Plan Cov End Date Pay Sch	Cov Code	Premium Paid Hire Date	Collected Sep Date	Difference	Age	Auto
Employees with benefits data on EDB, no PAR record										
Doe, John	090909090	99/C	01/01/08 Active		MO	UAC 65.23 01/01/08	0.00	65.23	90	Y
Doe, Jane	090985656	HX/C	01/01/06 Separated	12/31/08	MO	UAC 65.23 12/15/05	0.00	65.23	90	Y
Doe, Jane	090985656	HX/C	01/01/06 Separated	12/31/08	MO	UAC 65.23 12/15/05	0.00	65.23	60	Y