

Important Notice to Deans, Directors, Department Heads and Fiscal Officers Regarding ACA Billing

Since 2016, SIU has partnered with Mercer Health and Benefits to offer insurance to employees who are defined as full-time by the Affordable Care Act (ACA) but are not eligible for insurance through the State of Illinois Employee Group Insurance Program (SEGIP). Working with Mercer, SIU offers a limited benefit program to eligible employees who meet the definition of ACA full-time and are not eligible for SEGIP coverage. This group of employees, generally extra help, are commonly referred to as “Gap” employees. As Gap employees are identified during the hiring process, Human Resources works with Mercer to notify the employee of their available coverage and enrollment periods. During this enrollment period, the employee can either enroll or opt out of the coverage.

For eligible employees who are offered and enroll in Mercer’s health insurance programs, the employing unit will be direct billed 100% of the monthly premium for the employee-only coverage. In addition, the employing unit of a Gap employee will be billed the Mercer administrative fee for each of their eligible employees, regardless if the employee enrolls in the coverage or not. The administrative fee is a recurring charge for each month the employee is employed and until HR is able to terminate their eligibility for benefits, which can be up to six weeks from their last date of employment. The administrative fee will vary monthly based on the number of employees who are eligible to enroll in this coverage.

A breakdown of the monthly fees and costs are below.

	Mercer Administrative Fee	Essential Medical Premium	BasicAdvantage Medical Premium
Per Eligible Employee	Varies: Based on number of monthly participants	\$17.20	\$51.09
<i>Fees and costs are per employee per month</i>			

Each month, the employing unit will receive a paper statement detailing the Mercer administrative fee and employee premiums. Billing will be done on a monthly basis and can be viewed on your monthly financial statements. Due to the billing cycle, billing will often run two months behind. The first direct bill of FY20 will be uploaded during October.

All departments are reminded to submit hire and termination paperwork IN ADVANCE of their effective date. This is always imperative to ensure an employee is properly paid without delays. Additionally, to ensure ACA compliance, it is critical that eligible Gap employees are offered coverage within the first 30 days of hire as this is their initial enrollment period. If there is a delay in a termination notice, your department could potentially be billed for continued fees and premium costs. For example, John Doe resigns from his extra help position on March 15, 2019. The resignation paperwork is delayed and is not received in Human Resources until April 3, 2019. John Doe’s department will be billed for all fees and premiums costs for the month of April.

Also, it is important to note that Gap coverage must be offered to all eligible employees, including retirees returning to work, undergraduate students on Extra Help Contracts, and full-time faculty with contracts for less than eight months.

If you have any questions regarding this billing, please contact Vanessa Sneed at vsneed@siu.edu or 453-6683.