

Business and Noninstructional Operations

UNPAID ACCOUNTS FOR HEALTH AND WELFARE BENEFITS

The District provides access to health and welfare benefits through group coverage for active employees, former employees qualifying for extended benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA), and retirees. The portion of premiums paid by the District and those paid by the individual will vary from year to year depending on changes in premium costs initiated by carriers and/or 3rd party administrators, provisions of collective bargaining agreements, applicable laws and regulations, and Board policies.

The District will pay its portion of premium costs using established procedures for remittance through payroll and/or commercial warrant transactions. The individual may be responsible for payment of all, or a portion of, the monthly premium costs for single coverage exceeding established CAPs, if applicable, and/or covered dependents. In general, the District remits the individual's portion of premium costs for health and welfare benefits to vendors on behalf of the individual using the following methods:

Group	Primary Payment Method	Secondary Payment Method
<i>Active Employees</i>	Automatic Payroll Deduction Remitted to Vendor	Direct Remittance to Vendor with Invoice Issued to Individual Requesting Advance Payment or Reimbursement: <i>(used when an employee's monthly pay is not sufficient to cover the employee's payment responsibility)</i>
<i>Former Employees Qualifying for COBRA Benefits</i>	Direct Remittance to Vendor with Invoice Issued to Individual for Advance Payment	None
<i>Retirees</i>	Direct Remittance to Vendor with Invoice Issued to Individual for Advance Payment	None

When an individual's payment is late or delinquent, the following actions shall be taken to encourage payment:

Follow-Up Method	Action	Time Period
1	Courtesy Notice emailed OR mailed to work location OR residence/PO Box	Payment thirty (30) calendar days past due
2	Phone call placed to attempt personal contact	Payment forty-five (45) calendar days past due
3	Notice of Pending Termination of Coverage emailed AND mailed to work location AND	Payment fifty (50) calendar days past due

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<u>Follow-Up Method</u>	<u>Action</u>	<u>Time Period</u>
	residence/PO Box	
4	Referral to a Collection Agency	Payment sixty (60) or more calendar days past due

The billing cycles and grace periods related to the individual's portion of premium costs shall be as follows:

<u>Group</u>	<u>Billing Cycle</u>	<u>Grace Period Allowed Before Termination of Coverage</u>
<i>Active Employees</i>	Monthly As Due	Single coverage never terminated while actively employed. 60 calendar days after District remittance for dependent coverage.
<i>Former Employees Qualifying for COBRA Benefits</i>	Monthly in Advance	30 calendar days after District remittance for single and dependent coverage.
<i>Retirees</i>	Monthly in Advance	30 calendar days after District remittance for single and dependent coverage.

The District may terminate coverage for COBRA participants, retirees, and dependents of Active Employees after expiration of the Grace Period.

Legal Reference:

Education Code Section 7000: Retiree Benefits
29 U.S. Code Sections 1161-1168: COBRA