


<p>Office of Employee Benefits</p> <p>Administrative Manual</p> 	<p><b>OFFICE OF EMPLOYEE BENEFITS TERMS AND DEFINITIONS</b></p>	<p><b>130</b></p>
	<p><b>INITIAL EFFECTIVE DATE:</b> March 1, 2003</p>	
	<p><b>LATEST REVISION DATE:</b> April 1, 2014</p>	
	<p><b>PURPOSE:</b> To define the terms commonly used in the administration of The University of Texas System’s Employee Group Insurance and Retirement Programs</p>	
	<p><b>SCOPE:</b> All institutions of The University of Texas System and The University of Texas System Administration</p>	
<p><b>STATUTORY AND ADMINISTRATIVE REFERENCES:</b>  Texas Insurance Code, Chapter 1601;  Texas Government Code, Chapter 667.005;  Texas Family Code, Chapter 2</p>		

Chapter 1601 of the Texas Insurance Code authorizes The University of Texas System (System) to provide uniform group insurance benefits to eligible individuals. Section 1601.052 of the code requires a university system to “adopt rules consistent with this chapter as it considers necessary to implement this chapter and its purposes.” These rules are reflected in the policies contained in this Office of Employee Benefits (OEB) Administrative Manual. This policy sets forth the definitions for common terms used the Administrative Manual. The use of capitalized terms in the Administrative Manual refers to the term as defined in this policy.

**Accelerated Death Benefit/Terminal Illness Benefit**

An Employee, Retired Employee or covered spouse, who is certified by two unaffiliated physicians to have a life expectancy of 24 months or less, is eligible for a benefit of up to 50% of the life insurance (basic, voluntary term) in effect on the date of discovery of the terminal illness, up to the maximum benefit amount shown in their Schedule of Benefits. This benefit is payable only once in the person’s lifetime. Dependent children are NOT eligible for this benefit.

**Accidental Death and Dismemberment (AD&D)**

The group insurance coverage available to Employees and their covered Dependents for accidental loss of life or for accidents that result in paralysis, dismemberment, loss of eyesight, speech and hearing. The U.T. System provides \$20,000 of Basic AD&D coverage for Employees who are enrolled in a System medical plan at no cost. The Employee also may elect Voluntary AD&D up to ten (10) times annual salary, up to a

maximum of \$1 million. Maximum coverage for the spouse is the lesser of \$500,000 or 50% of the Employee's coverage. Coverage for dependent children of Employees is limited to \$10,000 per child.

Retired Employees and their covered Dependents are not eligible for AD&D coverage.

## **Act**

The State University Employees Uniform Insurance Benefits Act (Act) which authorizes The University of Texas System Uniform Group Insurance Program for eligible Employees, Retired Employees and their Dependents, as well as certain individuals serving post-doctoral fellowships. This Act is codified as Texas Insurance Code, Chapter 1601.

## **Active Employee**

An Employee who is performing services for U.T. System. Employees on annual leave, sick leave, holiday leave, or administrative leave are considered to be Active Employees.

## **Administrative Manual/Policy Manual**

This manual. The document that contains the rules adopted by the Office of Employee Benefits on behalf of U.T. System in accordance with Sections 1601.006, 1601.007 and 1601.052 of the Act to govern the implementation of the Act and its purposes..

## **Age of Employee**

An Employee's age as of September 1 of a plan year. The Employee's age is used to determine Employee Voluntary Group Term Life and Long Term Care insurance premiums.

## **Allowable Amount**

A maximum amount approved by the Carrier that is charged for a particular medical, dental or vision plan procedure, service or supply.

## **Annual Enrollment**

The designated period of time during which Subscribers must make any qualified group insurance and UT FLEX selections and changes for the upcoming Plan Year. Evidence of Insurability may be required to enroll in or change certain coverages. For the Uniform Group Insurance Program, this annual period is generally during the month of July.

## **Automatic Coverage (Newborns)**

Basic health insurance coverage provided to newborn dependent children of Subscribers and other Participants automatically for the first 31 days of life, even if the Subscriber does not take action to add the newborn as a dependent. See Policy 230 of this Administrative Manual for detailed information.

## **Basic Coverage Package**

Basic Coverage provided to eligible Employees and Retired Employees. The Basic Coverage Package for Employees currently includes Subscriber Only health insurance coverage, Basic Group Term Life (GTL) insurance of \$20,000, and Basic Accidental Death and Dismemberment (AD&D) coverage of \$20,000.

The Basic Coverage Package for Retired Employees currently includes Subscriber Only health insurance coverage and Basic GTL of \$6,000. Retired Employees are not eligible for AD&D coverage.

### **Basic Coverage**

The coverage that the Program has established as the uniform benefits available to all benefits-eligible Employees and Retired Employees pursuant to the Texas Insurance Code, Section 1601.003(2).

### **Basic Group Term Life Insurance**

Employees and Retired Employees who are enrolled in health coverage have Basic Group Term Life (GTL) insurance coverage which is fully paid by the state. Employees have Basic GTL coverage of \$20,000, and Retired Employees have \$6,000.

### **Benefits**

For purposes of this Administrative Manual, coverage provided to a Participant under the UT Uniform Group Insurance Program.

### **Benefits Eligible Employee**

For purposes of this Administrative Manual, an Active Employee who qualifies to participate in the UT System Uniform Group Insurance Program as an employee under Texas Insurance Code Section 1601.101; and for the federal Affordable Care Act (ACA) purposes, an employee defined under the ACA.

### **Benefits ID (BID)**

The unique alphanumeric 8-character BID assigned by OEB as an identifier to each Participant in the Uniform Group Insurance Program. This unique BID will remain with the individual as long as he/she is a participant in the Program, including following a break and reenrollment in Program coverage, transfer from one U.T. institution to another, enrollment as a Retired Employee, and/or enrollment as a COBRA participant.

### **Carrier**

An insurance company or other organization licensed by the Texas Department of Insurance that contracts with the System to administer services or benefits or insurance coverage for the UT Uniform Group Insurance Program.

### **Childrens Health Insurance Program (CHIP)**

CHIP is a federally funded program that provides preventive and primary health care to low-income, uninsured children of Texas, including children with special health care needs who are not served by or eligible for other State assisted health care programs, such as Medicaid. Dependent children of Employees and Retired Employees of U.T. institutions may enroll in the CHIP program if they meet CHIP's eligibility criteria.

If a dependent child of an Employee or Retired Employee is eligible for the federal CHIP program, the child is not eligible for the state Health Insurance Premium Payment (HIPP) Reimbursement Program. For more information, see Policy 260 in this Administrative Manual.

Dependent children of Employees and Retired Employees are not eligible for the State Kids Insurance Program (SKIP).

## **Childrens Health Insurance Program Reauthorization Act of 2009 (CHIPRA)**

CHIPRA is a federal law that reauthorized and provided financing for the CHIP program.

### **COBRA**

Under Public Law 99-272, Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Employees and/or their covered Dependent(s) who lose their core health coverage (including medical, dental and vision) due to a qualifying event may continue their coverage in the Uniform Group Insurance Program for a designated period of time. A COBRA participant is NOT eligible for Premium Sharing. A COBRA participant is responsible for payment of the full premium, including the portion normally paid by the employer plus a specified administrative fee.

### **Coinsurance**

The Participant's share of covered self-funded medical (UT SELECT) or dental (UT DENTAL SELECT) plan procedures, services and supplies, usually in a specified percentage of the Allowable Amount (e.g., 80% paid by the plan and 20% paid by the Participant for certain UT SELECT network benefits), after the deductible is met. Generally, there is a maximum annual out-of-pocket expense to the Participant, not including any provider charges above the Allowable Amount.

Copayments paid by the Participant are NOT applied to the maximum annual amount.

### **Comparable Coverage**

Group health coverage that is substantially similar to that offered by a plan under the Uniform Group Insurance Program (UGIP).

### **Conversion**

An option available to certain Participants to convert Employee ~~Basic Group Term Life~~ and Voluntary Group Term Life coverage to an individual whole life policy without Evidence of Insurability when they are no longer eligible for the group coverage as an Employee.

### **Coordination of Benefits (COB)**

COB is the process used to determine the order of payment of benefits when a Participant is covered by more than one group insurance policy or benefit plan for health, dental or disability insurance.

### **Copayment**

A dollar amount a Participant must pay at the time of service or treatment under the medical (including prescription drugs), dental and vision plans.

### **Deductible**

An annual dollar amount of the medical, dental or vision plan expenses that must be paid by a Participant before benefits under the plan will be available. Copayments do not apply toward the annual Deductible.

## Dental Health Maintenance Organization (DHMO)

A managed plan that provides comprehensive dental services. DHMOs are licensed and regulated by the Texas Department of Insurance to operate in approved service areas of Texas. Participants must either live or work in an DHMO's approved service area to be eligible to enroll in the DHMO. Enrollees are required to select a network Primary Care Dentist to coordinate their care. Generally, benefits are not available outside the service area, except for emergency treatment.

## Dental Plans

The UT Uniform Group Insurance Program offers three dental plans to Participants:

- (a) UT SELECT Dental: This plan is self-funded by the System which assumes full financial risk if the dental plan's expenses exceed the premiums. The System pays the contracting Carrier of the UT SELECT Dental plan a monthly fee to pay claims, maintain the dental network, and administer the plan. This dental plan has no residency requirements, and enrolled Participants have the freedom to choose to be treated by any licensed dentist. However, more comprehensive coverage is provided when a network dentist is used.
- (b) UT SELECT Dental Plus: This plan includes the self-funded UT SELECT Dental plan, as described in (a) of this section, plus a fully insured addendum with enhanced benefit coverage.
- (c) Dental HMO: The plan is fully-insured by a dental Carrier that assumes full financial risk if the plan's expenses exceed the premiums. The DHMO plan requires that enrolled Participants select a network dentist to be eligible for coverage with certain exceptions for limited out-of-network benefits during emergencies and for certain specific services.

## Dependent

A benefits-eligible dependent of an eligible Employee or Retired Employee, as defined by the Texas Insurance Code, Chapter 1601. See Policy 220 of this Administrative Manual for detailed information.

## Dependent Life Coverage

Voluntary Group Term Life (GTL) insurance coverage for the spouse and dependent child(ren) of an Employee. No Evidence of Insurability (EOI) is required for enrollment in Dependent Voluntary GTL of \$10,000. EOI is required for Spouse Voluntary GTL coverage amounts of \$15,000 or \$40,000.

Voluntary Group Term Life (GTL) insurance coverage for the spouse of a Retired Employee. No EOI is required if the spouse is enrolled for \$3,000 of Spouse Voluntary GTL within the first 31 days of retirement and all of the following are in effect:

- There was Employee Voluntary GTL coverage in effect on the last day of coverage as an Active Employee; and
- There was Spouse or Dependent Voluntary GTL coverage in effect on the last day of Employee Voluntary GTL coverage; and
- There is no break in coverage between the last day of Active Employment coverage and the first day of Retirement coverage.

For more information, see the definition of Voluntary Group Term Life Insurance in this policy. Complete details and requirements are described in the life insurance benefits booklet.

Covered Dependents of an Employee or a Retired Employee are not eligible for Basic Life Insurance coverage.

### **Dual State Coverage**

Enrollment in both the UT Uniform Group Insurance Program and any other public employee group insurance program that is funded by the State of Texas.

### **Effective Date of Coverage**

The date that the coverage for a Participant commences.

### **Eligible Employee for Supplemental UT Saver Plans**

For purposes of a Supplemental UT Retirement Plan, an Eligible Employee is any person who performs services for The University of Texas System who is not deemed to be an independent contractor.

### **Eligibility Date**

The date that a Participant becomes eligible for benefits.

### **Employee**

A benefits-eligible Employee, as defined by Chapter 1601.101, Texas Insurance Code. See Policy 210 of this Administrative Manual for detailed information. See also the definition of “Eligible Employee for Supplemental UT Saver Plans” in this Policy.

### **Employee Group Insurance Program (Program)**

The program administered by OEB that provides uniform group insurance coverage for all Participants on behalf of The University of Texas System as authorized by the Texas Insurance Code, Chapter 1601.

### **Employees Retirement System of Texas (ERS)**

The state agency responsible for the administration of the retirement, group insurance, flexible benefits, and deferred compensation benefit programs for employees and retired employees of State of Texas agencies and departments and Texas higher education institutions, except The University of Texas System and Texas A&M University System. A listing of state agencies and higher education institutions whose employees/retired employees participate in one or more programs administered by ERS is located on the ERS website at [www.ers.state.tx.us/](http://www.ers.state.tx.us/).

### **Employer's Share (of Premium)**

The amount of premium that is paid through a combination of State Premium Sharing and supplemental institutional funds, as permitted by law, toward the coverage of a Program Participant. The Participant is responsible for the remaining premium for all coverage elected by the Participant. For example, the employer's share of premium for basic coverage for a Full-time Employee of the System who works at least 40 hours a week is 100%.

## **Evidence of Insurability (EOI)**

The medical documentation which may be required by a Carrier to determine if a Participant's health condition meets the Carrier's criteria to be approved to enroll in or increase Voluntary Group Term Life, Disability or Long Term Care coverage, or to add an eligible spouse and/or dependent children to this coverage. Approval by the Carrier is not guaranteed.

## **Explanation of Benefits (EOB)**

The written statement provided by a Carrier for UT SELECT, UT DENTAL SELECT and UT FLEX enrollees, and by Medicare to Medicare enrollees, that explains the amount of medical services provided to a Participant that are eligible for payment by plan, the amount paid by the plan, and amounts that still may be owed by the Participant.

## **Family and Medical Leave Act (FMLA)**

A federal law that entitles an Employee to up to 12 weeks of unpaid leave during any consecutive 12-month period for the following reasons:

- (a) Birth of a child or to care for a baby;
- (b) Placement of a child for adoption or foster care;
- (c) Care for a spouse, child or parent with a serious health condition; ~~or~~
- (d) Serious health condition of the Employee that results in him/her being unable to work; or
- (e) Any qualifying exigency arising out of the fact that the Employee's spouse, son, daughter or parent is a covered military member on "covered active duty".

In addition, the law entitles an Employee up to 26 work weeks of leave during a single 12-month period to care for a covered service member with a serious injury or illness who is the spouse, son, daughter, parent or next of kin to the Employee (known as military caregiver leave).

## **Fully-Insured**

A health benefit, life insurance or other insurance product that is purchased by an employer from a Carrier to provide benefits to its Employees. These Carriers must be licensed by and comply with the regulations adopted by the Texas Department of Insurance. All insurance coverages provided through the UT Uniform Group Insurance Program (except UT SELECT Medical and UT SELECT Dental) are fully insured products. See the definition of "Self-Funding" in this Administrative Manual for more information.

## **Full-time Employee**

A category of Employees for purposes of determining Premium Sharing eligibility. For purposes of this Administrative Manual, a benefits-eligible Full-time Employee works 40 or more hours a week and is eligible to be a member of TRS.

## **Generic Drugs**

Medications sold under a standard name that by law must have the same active ingredients and are subject to the same U.S. Food and Drug Administration (FDA) standards for quality, strength and purity as their brand name counterpart. Generic drugs usually cost less than brand name drugs.

## **Graduate Student Employee**

A category of Employees for purposes of determining Premium Sharing eligibility. For purposes of this Administrative Manual, a Graduate Student Employee is a benefits-eligible Employee who works at least 20 hours a week but less than 40 and who is not eligible to be a member of TRS because the person is required to be enrolled as a student in System graduate level courses.

## **Health Insurance Portability and Accountability Act (HIPAA)**

A federal law and implementing regulations that sets national standards for, among other things, the protection of individually identifiable health information by health plans, health care clearinghouses, and health care providers who conduct standard health care transactions electronically as well as protection of the confidentiality, integrity, and availability of electronic protected health information.

## **Health Insurance Premium Payment (HIPP) Reimbursement Program**

The program established by the Texas Legislature in 1994 to provide medical insurance premium payments for Medicaid-eligible Employees/Retired Employees and/or their Dependents who have group health insurance coverage with their employer and meet the requirements for the HIPP program. If eligible, the HIPP program will pay the employee's portion of the HIPP participant's health insurance premium. U.T. Participants enrolled in the UT Uniform Group Insurance Program may be eligible for the HIPP program. For more information, see Chapter 260 of this Administrative Manual.

## **Initial Period of Eligibility**

The 31-day time period during which a newly Benefits Eligible Employee, Retired Employee, or Dependent may enroll in one or more UT Uniform Group Insurance Program plans.

## **Institution/UT System Institution**

For purposes of this Administrative Manual, any of the entities listed or described by Section 65.02, Education Code, including System Administration.

## **Leave of Absence Without Pay (LWOP)**

For purposes of this Administrative Manual, an Employee who is not on active status and has not received any pay or compensation for an entire calendar month. Generally, an Employee on LWOP status is NOT eligible for Premium Sharing that pays the Employers' portion for any group insurance premium for that month. However, if the Employee is approved for leave under the federal Family and Medical Leave Act (FMLA), the Employee is eligible for Premium Sharing.

## **Long Term Care (LTC)**

A voluntary, optional insurance plan that provides coverage for custodial nursing home care, adult day care, assisted living, hospice and other specified LTC conditions. Evidence of Insurability (EOI) is required for Employees who do not enroll during their initial period of eligibility. EOI is always required for enrollment of Retired Employees and Dependents including spouses, adult children, parents/grandparents, and parents/grandparents-in-law. Premiums are fully paid by the Participants and are based on age and benefit option selected.



## **Long Term Disability (LTD)**

A voluntary, optional coverage available for Employees only. Evidence of Insurability is required if LTD is not elected within the Employee's initial period of eligibility, except following a qualified status change. LTD insurance provides income protection when the Employee becomes fully disabled. Generally, following a 90-day waiting period after all paid sick leave has been exhausted, the disabled Employee will receive 60% of their basic monthly salary less other income benefits (e.g., Workers' Compensation, Social Security, etc.). There are minimum and maximum benefit levels, as well as restrictions based on the Employee's age at disability affecting the length of the benefit.

## **Medicare**

The federal program that provides health care coverage for eligible Retired Employees and their Dependents who are age 65 and over, and also provides coverage for persons under the age of 65 who have been determined to be disabled by the Social Security Administration. Medicare has two types of coverage: 1) Part A pays for inpatient facility charges; and 2) Part B pays for physicians and other outpatient charges.

## **Network Benefits and Services**

The level of benefits and services available to Participants from Network Providers.

## **Network Providers**

Health care providers that have contracted with the UT medical, dental and vision plans to provide certain health care services at more favorable rates than those usual and customarily charged by health care providers to Participants who live within the defined geographic boundaries serviced by the plans.

## **Non-Preferred Drugs**

Brand name prescription medications that are not on the health plan's Preferred Drug list because there are less expensive alternatives available. These medications require the highest copayments.

## **Office of Employee Benefits (OEB)**

An office of UT System Administration that is responsible for administration of the UT Uniform Group Insurance Program and Retirement Program (Programs). OEB's responsibilities include, but are not limited to:

- (a) Program plan designs;
- (b) Issuing Requests for Proposals (RFPs), reviewing bid responses and making recommendations to the Board of Regents regarding Program vendors, rates and benefits;
- (c) Monitoring Program vendors to ensure compliance with the System contracts;
- (d) Maintaining the Program eligibility files;
- (e) Providing accrual based financial reporting for each Program plan administered by U.T. System;
- (f) Developing Program policies and procedures; and
- (g) Providing training and communications to U.T. institutions.

## **Optional Coverages**

Coverages that are offered in the UT Uniform Group Insurance Program in addition to the Basic Coverage. The Subscriber is responsible for 100% of the premium for Optional Coverages except in certain situations where the Subscriber has waived Basic Coverage. Evidence of Insurability may be required. Currently, the following Optional Coverages are offered:

- Dental (Employees, Retired Employees and all Dependents)
- Vision (Employees, Retired Employees and all Dependents)
- Voluntary Group Term Life (Employees and all Employee Dependents; Retired Employees and Spouses only)
- Accidental Death and Dismemberment (Employees and Employee Dependents only)
- Short Term and Long Term Disability (Employees only)
- Long Term Care (Employees, Retired Employees and all Dependents)
- UT FLEX Spending Accounts (Employees only)

## **Optional Retirement Program (ORP)**

A 403(b) retirement plan offered to eligible employees in lieu of participation in the Teacher Retirement System of Texas. To be eligible, an employee must be working in an eligible position, as determined by each institution within the guidelines of Texas state law.

## **Out-of-Area Benefits and Services**

Benefits and services available to Participants who are enrolled in the UT SELECT Medical plan but do not live within the defined geographic boundaries of the plan. Out-of-Area benefits and services are based on the address on file of the primary Subscriber. Such benefits and services may be received from any licensed provider.

## **Out-of-Network Benefits and Services**

Reduced levels of benefits and services available to Participants who are enrolled in the UT SELECT Medical plan and live within the defined geographic boundaries of the plan but choose to receive services from providers who have not contracted to be a Network Provider.

## **Participant**

A person who is enrolled in coverage provided through the UT Uniform Group Insurance Program. Employees, Retired Employees, Dependents of benefits-eligible Employees and Retired Employees, post-doctoral fellows, Surviving Spouses, and Surviving Dependents are considered Participants for purposes of this Administrative Manual. See also "Retirement Program Participant".

## **Part-time Employee**

A category of Employees for purposes of determining Premium Sharing eligibility. For purposes of this Administrative Manual, a Part-time Employee is a benefits-eligible Employee who works no less than 20 hours per week but less than 40 hours per week and who is eligible to be a member of TRS.

## **Pharmacy Benefits Manager (PBM)**

The third party administrator that contracts to provide retail and mail service pharmacy services for a health plan. The Office of Employee Benefits contracts directly with a PBM to provide pharmacy services for Participants in its self-funded UT SELECT plan

## **Plan Year/Fiscal Year**

The period from September 1 through August 31 of the following year. It is the same as the UT System's fiscal year.

## **Preauthorization**

Advance approval required by a Carrier in order to be eligible for plan benefits. Preauthorization determines medical necessity for the care that a Participant will receive. For UT SELECT enrollees, Preauthorization is required for specific medical services that are listed in the plan descriptions including inpatient hospital admission, mental health services, skilled nursing care, private duty nursing, home health care, and hospice care.

## **Preferred Drugs**

A list of brand name prescription medications preferred for their clinical effectiveness and opportunities to help contain participant and plan costs. The list of preferred medications is available on each plan administrator's website. The Copayment to the Participant for a Preferred Drug is lower than the Copayment for a Non-Preferred Drug.

## **Preferred Provider Organization (PPO)**

A managed health care plan that allows enrollees the freedom to use any licensed provider and still receive benefits. The highest level of benefits is available if the enrollee uses a network provider. Selection of a Primary Care Physician (PCP) is not required. UT SELECT is a PPO plan. For additional information, refer to the definition of UT SELECT in this section.

## **Premium**

The monthly amount due for payment of each coverage provided under the UT Uniform Group Insurance Program.

*Important:* Monthly premiums for the Program are not pro-rated. An entire month's premium must be paid for the first month of coverage regardless of the day during the month the coverage becomes effective.

## **Premium Redirection**

The plan authorized by Section 125 of the Internal Revenue Code and administered by the UT System under the UT FLEX program that allows an Employee to deduct the Employee's portion of the premium owed for UGIP coverages elected by the Employee on a pre-tax basis. Enrollment in the Premium Redirection plan is a condition of participation in the Program for all Employees.

## **Qualified Change of Status**

The circumstances under which Employees are permitted to change their Uniform Group Insurance Program coverages and out-of-pocket contributions during a plan year and outside of the annual enrollment period for the plan, as provided by Section 125 of the Internal Revenue Code. Examples of a qualified Change of Status event include a

gain/loss of an eligible spouse or dependent child, change in employment status, or change in residence.

### **Retired Employee**

A benefits-eligible Retired Employee, as defined by the Texas Insurance Code, Section 1601.102. See Policy 220 of this Administrative Manual for detailed information.

### **Retirement Program Participant**

An employee or former employee who is eligible to participate in and contributes or has contributed to a UT Retirement Program plan and who maintains a balance within the plan.

### **Return-to-Work Retired Employee**

A person employed by UT System, another institution of higher education, a Texas state agency, or an employer that participates in the Teacher Retirement System of Texas (TRS) who retires and is subsequently employed by a UT System institution.

### **Salary**

An Employee's monthly wages (generally base salary plus longevity pay) in effect on:

- (a) September 1 of each year for Employees actively at work on that day;
- (b) The first active duty date of employment if hired after September 1; or
- (c) For Employees on Leave of Absence Without Pay on September 1, the first day of the plan year in which they return to work.

### **Self-Funding/Self-Insurance**

Assumption of the full financial risk for all expenses of an insurance or benefit plan by an employer. For the self-funded plans operated by the Uniform Group Insurance Program (UGIP), the Program determines the premium rates, contracts with a third party administrator (TPA) to process and pay claims, and reimburses the TPA for claims paid on a periodic basis. The UT SELECT Medical plan, the UT SELECT Dental plan and the UT FLEX plan are self-funded by The University of Texas System.

### **Service Area**

The geographical area in which a person must live or work in order to be eligible to enroll in a benefits plan. The Dental HMO plan requires Participants to live within specific geographical areas of Texas to be eligible for their plan. Eligibility is determined by a Subscriber's residential address on the UT System's file.

### **State Premium Sharing**

The amount of state funds appropriated by the Texas Legislature to pay the Employer's Share of the group insurance premiums for Employees and Retired Employees participating in the UT Uniform Group Insurance Program.

### **State Service Credit or Creditable State Service**

The number of years employed in a benefits-eligible position in which contributions are made and remain in the employee's retirement account with the Teacher Retirement System of Texas (TRS), the Employees Retirement System of Texas (ERS), or an Optional Retirement Program (ORP).

**Subscriber**

An individual whose status, as defined in Chapter 1601, Texas Insurance Code, entitles the individual to elect coverage provided by the Uniform Group Insurance Program.

**Surviving Dependent**

An individual who is eligible for coverage as a Dependent of a deceased Employee or Retired Employee. See Policy 240 of this Administrative Manual for more detailed information.

**System/UT System**

For purposes of this Administrative Manual, “System” or “UT System” means The University of Texas System.

**System Wide Insurance Advisory Committee (SWIAC)**

An advisory committee created by the Act to provide recommendations to the UT System for the UT Uniform Group Insurance Program.

**Teacher Retirement System of Texas (TRS)**

The state agency responsible for the administration of a retirement program available to eligible employees at all Texas public schools, colleges and universities including The University of Texas System. Employees participating in TRS contribute a percentage of their monthly salary and the state makes a contribution into the TRS retirement fund.

All System employees appointed to work 50% or more of a full time appointment or at least twenty hours per week for a period of four and one-half months or more, except student employees, must participate in the retirement program unless the employee has previously retired under TRS or is eligible and opts to participate in the Optional Retirement Program. In addition, TRS administers the group insurance programs for retired public school employees (TRS Care) and for active employees of certain independent school districts (TRS Active Care).

**Terminal Illness Benefit**

Refer to Accelerated Death Benefit in this section.

**Termination of Coverage**

The end of a Participant’s eligibility for coverage in the UT Uniform Group Insurance Program. Coverage ends the last day of the month in which eligibility ends.

**Texas A&M University System**

Texas A&M University and its component higher education institutions. Texas A&M University System administers a separate group insurance program for its employees and retired employees, as authorized by the Texas Insurance Code, Chapter 1601.

## **Uniform Group Insurance Program (UGIP)**

The collection of plans and other benefits provided by System for its eligible employees and retired employees and certain other individuals pursuant to Texas Insurance Code Chapter 1601.

## **University of Texas System (System)**

The entities listed or described by Section 65.02, Education Code, including System Administration. The System administers the UT Uniform Group Insurance Program and the Retirement Programs, as authorized by the Act.

## **UT SELECT Dental Plan**

The dental plan that is self-funded by the UT Uniform Group Insurance Program. The Program contracts with a third-party administrator to administer the dental plan to contract with network providers, pay dental claims, and provide other administrative services.

## **UT FLEX Plan**

The federally qualified cafeteria plan created by the U.T. System pursuant to Texas Insurance Code Section 1601.202. The UT FLEX plan includes the ability to participate in Premium Redirection; a flexible health care reimbursement account and a dependent day care reimbursement account.

Retired Employees, including return-to-work retired employees, are not eligible to participate in the UT FLEX program.

## **UTSaver Deferred Compensation Plan**

A voluntary, supplemental 457(b) retirement plan available to all employees of the UT System who have payroll appointments and are eligible to participate in the voluntary program.

## **UTSaver Tax-Sheltered Annuity Program**

A voluntary, supplemental 403(b) retirement plan available to all employees of the UT System who have payroll appointments and are eligible to participate in the voluntary program.

## **UTSaver Voluntary Supplemental Plans**

The voluntary, supplemental retirement plans available to all employees of the UT System who have payroll appointments and are eligible to participate in the supplemental plans. An employee can choose the supplemental plans (UTSaver Tax Sheltered Annuity and UTSaver Deferred Compensation Plan) regardless of participation in or eligibility for the Teacher Retirement System of Texas (TRS) or the Optional Retirement Program (ORP).

## **UT SELECT Health Plan**

A managed care PPO plan that is self-funded by the UT Uniform Group Insurance Program. The Program contracts with a third-party administrator to administer the medical program to contract with network providers, pay health care claims, and provide other administrative services. The Program contracts with a Pharmacy Benefits Manager (PBM) to administer the retail and mail pharmacy programs for UT SELECT Health plan members.

## **Voluntary Group Term Life Insurance**

Optional term life insurance coverage that is available to eligible Employees and Retired Employees and Dependents of UT Employees.

## **Waiver of Life Premium**

A process provided by a Carrier that permits an Employee, who is under the age of 60 and becomes totally disabled, to retain the Voluntary Group Term Life insurance benefits in force on the date of the disability at no cost until the earliest of the following dates:

- (a) The date the Employee is no longer disabled;
- (b) The day after the end of the period for which required premiums are paid;
- (c) The date the Employee no longer qualifies for Waiver of Premium; or
- (d) The date the Employee reaches age 65.