


<p>Office of Employee Benefits</p> <p>Administrative Manual</p> 	<p>PREMIUM BILLING & REMITTANCE</p>	<p>701</p>
	<p>EFFECTIVE DATE: SEPTEMBER 1, 2005</p>	
	<p>REVISION DATE: SEPTEMBER 1, 2014</p>	
	<p>PURPOSE: Ensure that premium billing agrees with reported eligibility of subscribers</p>	
	<p>Scope: Institutions of UT System and the Office of Employee Benefits (OEB) at System Administration</p>	

1.0 BACKGROUND

Eligibility data is provided by each of the System’s institutions for their respective subscribers comprised of employees, retired employees and dependents. This eligibility data is received routinely by the OEB Information Systems (I/S) area for analysis and interpretation prior to allowing an “update” to the OEB maintained database called SGELIG.

SGELIG then serves as the single source from which OEB extracts data for the following purposes:

- Communication of eligibility data to vendors;
- Support for premium billing to the institutions; and
- Verification of eligibility by subscriber/dependent for resolution of discrepancies.

2.0 PREMIUM BILLING

A “snapshot” of eligibility data is taken in preparation for the premium billing cycle which begins on the first Sunday of each month. This snapshot essentially reads every eligibility record for every subscriber to appropriately determine what single coverage level exists for each coverage period. Coverage periods are monthly for purposes of premium billing.

Once the appropriate coverage and level is determined, the Premium Billing Application then creates all necessary premium billing records sorted first by institution, and then by Social Security Number (SSN#). While the SSN# determines the order of how subscribers appear on the report, only the Benefit ID Numbers (BID) are presented.

The result of the Premium Billing Application is the creation of a “Current Premium Billing Dataset” and an “Unresolved Premium Billing Dataset” for each institution. The criteria for each will be discussed later in this policy.

Definitions:

Current Coverage Period equals the coverage period just concluded.

Current Premium Billing equals current coverage period plus two immediately prior coverage periods.

Unresolved Premium Billing equals any coverage periods not represented on the Current Premium Bill.

3.0 INSTITUTION RESPONSE TO BILLING DATASETS

Upon receipt of the Premium Billing Dataset, each institution is responsible for reconciling the “eligibility driven” billing with their internal eligibility database and premium remittance system. Premiums for System subscribers are derived from multiple sources which include 1) State/Locally Funded Premium Sharing, 2) Employee contributions via payroll deduction, and 3) Direct premium payment as in the case of retired employees for voluntary coverages. The detailed data supporting the OEB Premium Remittance is called a ‘Premium Remittance Dataset’ and governs how the Institution’s payment is applied on a subscriber basis.

OEB has provided institutions with a system of codes which can be used to qualify the remittance of premiums for subscribers. OEB encourages the concept of ‘simple remittance coding’. An OEB Financial Analyst can provide further explanation upon request.

Remittance codes are described on the OEB IFIS webpage at the following address:

<https://utdirect.utexas.edu/sgwww/sgwwdl.wb>.

Effective 9/1/2014, the Unresolved Premium Billing will be due upon presentment, in total and without opportunity for update to coverage periods beyond those covered by the Current Premium Bill (See definitions above). The Amount due will be ‘prepopulated’ on the **Fund Transfer Report** delivered along with the detail listing of the Unresolved Payment subscribers/coverages.

Note: The one exception to retroactive premium billing is when a new employee must be added to comply with the Texas Code requiring coverage be available from the 1st day of employment forward. Premiums will fall immediately due and payable during the next Premium Billing Cycle.

4.0 RECONCILIATION TO ELIGIBILITY

Each UT institution's staff is responsible for researching and resolving any disputed premiums billed to them. Corrective action usually involves a correction to the eligibility data previously sent to OEB. Given that the corrective action is taken on a timely basis, the premium billing system is designed to automatically adjust for the current plus two coverage periods, retroactively.

The feature above is a very powerful tool which allows System Benefit Administrators to focus exclusively on eligibility reporting during the "retroactive adjustment window".

OEB provides each institution with an Eligibility Error Report following each load. Given that the institution acknowledges the errors reported and takes corrective measures, the reconciliation effort is minimized downstream.

The "Premium Payment Exceptions Report" details any discrepancy between what has been billed and what has been remitted on a subscriber by subscriber basis for each institution. This report is available on the web via IFIS on the Monday following the close of the premium billing cycle. Most discrepancies can be resolved by ensuring that SGELIG mirrors the same eligibility data used by the institution in administering benefits.

The objective of this process and the oversight of OEB is to ensure the right coverage is provided to our subscribers for each coverage period. A secondary objective is to ensure premiums are paid on a timely basis which will now be defined as within 120 days of the end of the coverage period in question.