SALARY BANDED PPO HEALTH PLAN PREMIUM GRANDFATHER PROVISION

SCOPE:

UAH historically based premiums in the PPO Health Plan according to the enrolled employee's base annual salary. Employees who earned a base annual salary less than $40,000 received an increased employer cost share towards the overall rate, thus reducing the employee portion of total health insurance premium. UAH will sunset the salary banded premium program effective December 31, 2023. Employees who were actively enrolled on that date are granted continued benefit to receive reduced health insurance premiums with increased employer subsidy, per the grandfather terms.

ELIGIBILITY:

For the purposes of determining initial grandfather eligibility, employees who were actively enrolled in the PPO health plan whose annual base salary was below $40,000 on December 31, 2023 were "Grandfathered" into their existing rate structure.
An employee who satisfy eligibility terms and are classified as grandfathered will retain this status, granted the following criteria:

1. Maintains active employment
2. Maintains continued benefits eligibility
3. Maintains continued enrollment in the UAH PPO health plan
4. Base annual salary remains below $60,000

Any break in employment, benefits eligibility (regular full-time working 30+ hours per week), participation or coverage in the PPO health plan (voluntarily or involuntarily), will void grandfather status and all provisions shall cease to be applicable to that employee and shall never be reinstated.

If the grandfathered employee reaches or exceeds a base annual salary of $60,000, the grandfathering provision shall cease to be applicable to that employee. They shall continue to receive the reduced premium for the remainder of the calendar year. On the first day of the new calendar year, employee will be subject to the standard premium schedule.

TERMS:

- An employee may change coverage tiers based on the number of dependents on their plan (i.e. individual or family coverage) and maintain grandfathered status. The employee will be subject to the designated premium for the coverage tier in which they enroll. If a coverage tier is increased, the premium will reflect the higher grandfathered rate tier. If a coverage tier is decreased, the premium will reflect the lower grandfathered rate tier.
- Grandfathered premiums are subject to the same annual rate increases incurred by all other health plan participants. The base premium will increase by a flat percentage designated for the employee portion of total health plan rate, as applicable for all UAH health plan participants.
- Grandfathered employees receiving reduced premium will not qualify for the premium assistance program. Benefits from the Grandfathering provision and Premium Assistance Program will not be received concurrently. If a grandfathered employee chooses to enroll into the Premium Assistance Plan, they will voluntarily waive their grandfathered status.
- In the event an employee ceases to meet the terms of this provision, or voluntarily waives grandfather status, eligibility is terminated immediately and shall never be reinstated.
- A grandfathered employee who no longer satisfies the grandfather provisions may take advantage of the premium assistance program, if qualification criteria are met.
- Employees who were NOT actively enrolled on the PPO plan in the below $40,000 salary band on December 31, 2023 are not eligible at any time to be classified as a part of the grandfathered population.

PROVISION EFFECTIVE DATES

Start date: January 1, 2024

End date: The terms of this provision are guaranteed through December 31, 2033. This provision will be re-evaluated in ten (10) years from the effective date, and will determine if the terms will be extended for any period past the guaranteed grandfathering period. Employees who still qualify for the grandfathered rates will be notified prior to Open Enrollment for the 2034 Plan Year.