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Date: Mon, Nov 22, 2021 at 8:23 AM

Subject: FW: Resolution regarding Tobacco Surcharge Errors and Refunds

To: [cxhaha@gmail.com](mailto:cxhaha@gmail.com) <[cxhaha@gmail.com](mailto:cxhaha@gmail.com)>

Cc: Juanita Hicks <[Juanita.Hicks@usg.edu](mailto:Juanita.Hicks@usg.edu)>

Dear Dr. Hahamovitch,

Thank you for forwarding the resolution that was passed by the University of Georgia Franklin Faculty Senate for our review and consideration related to tobacco surcharges and the benefits enrollment process.

We appreciate the opportunity to respond.

Tobacco use has negative health consequences and increases costs in our healthcare plan to treat conditions and diseases as a result of tobacco use. USG added the tobacco surcharge in 2011 to encourage employees to quit using tobacco and allow those that use tobacco to contribute toward the additional claims costs associated with using tobacco. Upon implementation of the surcharge and in the ensuing years, certification of tobacco use status has been required annually. In 2015, the certification requirement was dropped due to constraints with the implementation of the new HCM/Benefits enrollment system. Tobacco user certification was not required for the 2016, 2017, and 2018 open enrollment periods.

When the certification requirement was reimplemented for the 2019 open enrollment period, a few minor issues were reported with the tobacco certification in the enrollment system. As soon as these were identified and brought to our attention, USG analyzed the data and identified the impacted employees. Overall, 276 employees out of the approximately 40,000 employees enrolling in the USG healthcare plan were affected. When the error was confirmed and corrected, the impacted employees were refunded their surcharges.

Steps were taken to improve the enrollment system and the communication surrounding the certification requirement and verification for the 2020 and 2021 Open Enrollment periods. Specific enrollment system/enrollment process improvements included:

- Conducting audits and creating reports each year after Open Enrollment to ensure the default functionality is working correctly,
- Implementing a new enrollment flow in 2020 requiring all employees enrolling in a USG healthcare plan to navigate through the tobacco certification page to complete the certification as part of their healthcare plan enrollment,
- Adding alerts in the enrollment system if the tobacco certification was not completed,
- Updating the enrollment system to include clear messaging that tobacco certification has been completed once users make their selection,
- Adding tobacco surcharge to the Open Enrollment confirmation statements, and
- Extending a grace period through Feb. 15 of the following year to complete the tobacco user certification. Refunds are processed for those who complete the certification during the grace period.

Employees who take no action during Open Enrollment and the extended grace period are still able to remove the tobacco surcharge at any time throughout the year by logging in to the OneUSG Connect – Benefits system and changing their tobacco user status to non-tobacco user. The change goes into effect the first of the next month.

Employees who think their certification was not processed correctly in the enrollment system may file an appeal through the OneUSG Connect – Benefits call center. These appeals are forwarded to the USG HR office and are reviewed on at least a monthly basis by an internal appeals review committee. (Not completing the certification during Open Enrollment and defaulting to tobacco user has not been considered an error when reviewing appeals). Employees charged the tobacco surcharge due to a system administrative error are refunded the surcharge. The enrollment system provider is able to produce data on employees who have accessed the system or contacted the call center and includes employee tobacco certification.

The communication of the appeals process is currently under review to improve the awareness of its availability. We are committed to continuing to improve service to healthcare plan members and we will work to improve the transparency of this important process.

Again, we appreciate the opportunity to respond. If you have any questions, we would be happy to set up time to discuss them.

Sincerely,

Karin



**Karin Elliott**

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Rewards

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