

# Group Insurance Regulations

## Preface

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### A. Benefits

The Group Insurance Regulations contain the governing eligibility provisions for the health and welfare benefit plans sponsored by the University and eligible Affiliates (collectively, referred to as “the University”). The provisions set forth in these Regulations are applicable only to eligible employees appointed and paid by the University and eligible annuitants of the University.

These Regulations establish the eligibility provisions for the University-sponsored health and welfare plans. They are intended to supplement the terms of the vendor contracts that define the benefits and services provided under the plans. The terms and conditions governing benefits and services provided under those contracts are determined by those contracts and the laws and regulations of any governmental or regulatory authority having jurisdiction over those contracts or the contracting vendor.

The University of California intends to continue the benefits described in the Group Insurance regulations indefinitely; however, the benefits of all employees, annuitants, and plan beneficiaries are subject to change or termination at the time of contract renewal or at any other time by the University or other governing authorities. The University also reserves the right to determine new premiums and employer contributions at any time. Health and welfare benefits are subject to legislative appropriation and are not accrued or vested benefit entitlements.

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### B. Administration

The University’s Group Insurance Regulations are under the direction of the President of the University as Plan Administrator and his delegates. Requests for interpretations of these policies must be directed in writing to the Plan Administrator. It is the intent of the Plan Administrator to apply the Regulations and the terms of vendor contracts equally for the benefit of the persons entitled to them without discrimination among them. The Plan Administrator has full power to administer these Regulations, subject to applicable legal requirements. No employee or agent of the University has authority to modify these Regulations or to make any representations, warranties, or inducements other than as set forth in these Regulations and the applicable insurance contracts. The Administrator’s powers include, but are not limited to, the following:

1. To make and enforce rules and procedures as required to administer the Regulations;
2. To exercise discretion in interpreting the Regulations and deciding questions concerning their interpretation and the eligibility of any person under them;

3. To appoint agents, counsel, accountants, consultants and other persons as needed to assist in administering the Regulations or the related contracts;
4. To delegate responsibilities and designate certain persons to carry out any responsibilities under the plans.

These Regulations are subject to periodic change or cancellation, as are the benefit plans they govern. Such changes are made by the Plan Administrator and they are communicated by announcements from the Plan Administrator or his delegates. Where there are differences between the Plan Administrator's policy announcements and the Group Insurance Regulations, the announcements govern until the Regulations are revised.

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## C. Miscellaneous

1. Required Information – Members must provide the Plan Administrator with information, evidence or signed documents as periodically requested to administer the Regulations.
2. Limitation of Rights – Neither the establishment nor amendment of the Regulations gives any person any legal rights against the University or Plan Administrator except as provided in the Regulations.
3. Regulations not a Contract – The Regulations are not a contract between the University and any employee or intended as an inducement or consideration for employment. No employee covered by these Regulations has any right to employment based on them nor, after termination of employment, any rights beyond those stated.
4. Withdrawals – On May 31, 2006, individuals employed at the Los Alamos National Laboratory (LANL) terminated employment with the University in connection with the transition of management of LANL to the Los Alamos National Security, LLC (LANS). Individuals who transitioned employment from the University to LANS and LANL annuitants commenced coverage under the LANS health and welfare plans effective June 1, 2006, and thus are not covered by the terms of these Group Insurance Regulations.

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## D. Appeals

The University's Group Insurance Regulations (GIRs) have provisions for a claimant to appeal a denied claim. Claims for benefits in which the individual is eligible and properly enrolled in a plan but his or her benefit claim has been denied by the carrier on the basis of the plan's contractual provisions should be addressed to the particular carrier for the plan in which the individual is enrolled. Contact information for the University's Health and Welfare plan carriers is available online at

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[http://atyourservice.ucop.edu/directories\\_contacts/index.html](http://atyourservice.ucop.edu/directories_contacts/index.html), or by calling UC Benefits Customer Service at 800-888-8267.

Distinct from appeals for benefit claims directed to a particular carrier, there are instances where denial of coverage is based on a determination that an individual did not meet the eligibility requirements of the University's GIRs. That is, benefits are denied because the individual is not eligible to participate in a plan, did not enroll in a timely fashion, did not properly complete the enrollment process, was enrolled in error, etc. In these instances a separate and distinct appeal process is available as described below. This process is not an alternative to any carrier appeal process nor is it the next level of appeal if the carrier's process has already been exhausted. It is strictly intended to address denials of coverage based on plan eligibility under the University's GIRs.

A claimant with an eligibility issue must submit a request for coverage, which must be made in accordance with procedures established under the GIRs. No decision on the appeal will be made until an individual has submitted a written request for coverage and has provided pertinent information regarding the request as described below.

**First Level of Appeal** – A claimant whose claim has been denied, or his or her authorized representative, may ask for an independent review of the claim for eligibility under the GIRs. A written statement of appeal should be sent within 60 days of the written notice of the denial and should be directed to:

Executive Director, Benefit Programs and Strategy  
Human Resources, Health & Welfare Plan Administration  
University of California  
300 Lakeside Drive, 6th Floor  
Oakland, CA 94612-3555

The statement of appeal must:

- a. request a review of the denial;
- b. set forth all of the reasons and supporting facts and documentation upon which the request for review is based; and
- c. include any issues or comments which the claimant deems relevant to the appeal.

Each appeal and any related written materials submitted by the claimant will receive a full and fair review within 60 days after the Executive Director's receipt of the request for review unless the Executive Director determines that circumstances require a longer period for review, which may include time to review additional information or documents reasonably requested from the claimant, the carrier, the campus/laboratory location, the provider or other relevant party. If additional time for review is needed, the claimant will be notified in writing of the need, and the reason, for the extended review period. If the written notice includes a request that the claimant provide

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additional information or documents, the claimant must submit such information or documents within 30 days after receipt of the notice. If the claimant and/or any other relevant party has been asked for additional information or documents, written notice of the Executive Director's decision shall be given within 60 days of receipt of all such information or documents. If the appeal is denied, the Executive Director's written notice of the decision to the claimant shall set forth the specific reasons for such denial and any specific references on which the decision is based.

**Second Level of Appeal** – If the Executive Director sustained the decision to deny the claim, the claimant may ask the Plan Administrator to review the decision by submitting a written statement of appeal to the Vice President, Human Resources, of the University of California within 60 days after receiving a written notice of denial from the Executive Director. The procedures and requirements set forth above for the first level of appeal should be followed.

A second level appeal should be directed to:

Vice President, Human Resources  
Attention: Health and Welfare Plan Appeals  
University of California  
300 Lakeside Drive, 6th Floor  
Oakland, CA 94612-3555

The decision of the Vice President, Human Resources regarding eligibility shall be final and conclusive upon all persons. With the Vice President's decision, the claimant will have exhausted all administrative remedies under the plan. If after exhausting these administrative claims procedures, the claimant still believes that eligibility for coverage has been improperly denied, the claimant has the right to initiate legal proceedings.

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## E. Health Insurance Portability and Accountability Act of 1996 (HIPAA) Privacy

In order to receive University member HIPAA Protected Health Information (medical information identifying plan members) from affected University Group Health and Welfare Benefit Plans solely for member advocacy purposes and other plan administration functions performed in conjunction with its Group Health and Welfare Benefit Plans, the University has performed certain acts.

I. The University has established the following permitted and required uses and disclosures of Protected Health Information:

- 1) **Health Care Operations.** We may use and disclose medical information about a member for certain of our health care operations and to assure that all of our enrollees receive quality care. For example, we may use and disclose medical information about a member to a business associate who on the UC Plan's behalf performs a function or activity involving the use or disclosure of a member's medical information, including claims processing or administration, planning, data analysis, utilization review, quality assurance benefit management, practice management, referrals to specialists, or provides legal, actuarial, accounting, consulting, data aggregation, management, administrative or financial services that involve individually identifiable health information.
- 2) **Plan Sponsor.** The University is the employer and the sponsor of group health plans for its employees. The UC Plans may use or disclose medical information provided by or to the plan sponsor, such as medical information used in bidding or plan design, plan modification, amendment or termination, individual enrollment or disenrollment information, or medical information necessary to coordinate benefits or resolve a complaint. However, UC Plans may not disclose medical information to the University as employer for the purpose of employment-related actions or decisions or in connection with any other benefit or employee benefit plan of the plan sponsor.
- 3) **Payment.** UC Plans may receive and disclose information in the course of activities that involve reimbursement for health care, such as determination of eligibility for coverage, claims processing, billing, obtaining and payment of premium, utilization review, medical necessity determinations, healthcare data processing, and precertifications.
- 4) **As Required By Law.** We will disclose medical information about a member when required to do so by federal, state or local law or regulation.

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- 5) **To Avert a Serious Threat to Health or Safety.** We may use and disclose medical information about a member when necessary to prevent or lessen a serious threat to the member's health and safety or the health and safety of the public or another person. Any disclosure, however, would only be to someone able to help prevent the threat.
- 6) **Military and Veterans.** If a member is or was a member of the armed forces, we may release medical information about a member to military command authorities as authorized or required by law. We may also release medical information about foreign military personnel to the appropriate military authority as authorized or required by law.
- 7) **Research.** In limited circumstances, we may use and disclose certain medical information for research purposes, subject to the confidentiality provisions of state and federal law. A member's medical information may be important to further research efforts and the development of new knowledge. All research projects conducted by the University of California must be approved through a special review process to protect member safety, welfare and confidentiality.
- 8) **Workers' Compensation.** We may release medical information about a member for workers' compensation or similar programs as permitted or required by law. These programs provide benefits for work-related injuries or illness.
- 9) **Health Oversight Activities.** We may disclose medical information to governmental, licensing, auditing and accrediting agencies as authorized or required by law.
- 10) **Legal Proceedings.** We may disclose medical information to courts, attorneys and court employees in the course of conservatorship and certain other judicial or administrative proceedings.
- 11) **Lawsuits and Disputes.** If a member is involved in a lawsuit or other legal proceeding, we may disclose medical information about a member in response to a court or administrative order, or in response to a subpoena, discovery request, warrant, summons, or other lawful process.
- 12) **Law Enforcement.** If authorized or required by law, we may disclose medical information under limited circumstances to a law enforcement official in response to a warrant or similar process, to identify or locate a suspect, or to provide information about the victim of a crime.
- 13) **National Security and Intelligence Activities.** If authorized or required by law, we may release medical information about a member to authorized federal officials for intelligence, counterintelligence, and other national security activities.

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**14) Protective Services for the United States President and Others.**

We may disclose medical information about a member to authorized federal and state officials so they may provide protection to the President, other authorized persons, or foreign heads of state, or conduct special investigations, as authorized or required by law.

**15) Inmates.** If a member is an inmate of a correctional institution or under the custody of a law enforcement official, we may release medical information about a member to the correctional institution or law enforcement official, as authorized or required by law. This release would be necessary (1) for the institution to provide a member with health care; (2) to protect a member's health and safety or the health and safety of others; or (3) for the safety and security of the correctional institution.

II. The University agrees to:

- 1) Not use or further disclose protected health information (PHI) or summary health information other than as permitted or required by these Group Insurance Regulations documents or as required by law;
- 2) Ensure that any agents (including a subcontractor) to whom the University provides PHI received from any of its Group Health & Welfare Plans agree to the same restrictions and conditions that apply to the University with respect to such information;
- 3) Not use or disclose the information for employment-related actions and decisions of the University or in connection with any other benefit or employee benefit plan;
- 4) Report to the University's applicable Group health & Welfare Plans any use or disclosure of information that is inconsistent with the uses or disclosures provided for, or which it becomes aware;
- 5) Make available PHI in accordance with 45 Code of Federal Regulations, section 164.524 that allows individuals to access their protected health information;
- 6) Make available PHI for amendment and consider any amendments of PHI in accordance with 45 Code of Federal Regulations, section 164.526 that allows individual requests for amendment of protected health information;
- 7) Make available an accounting of disclosures of an individual's PHI in accordance with 45 Code of Federal Regulations, section 164.528;
- 8) Make the University's internal practices, books, and records relating to the use and disclosure of PHI received from the University's Group Health & Welfare Plans available to the Secretary of the U.S, Department of Health and Human Services for purposes of determining compliance by the Group Health & Welfare Plans with this subpart;

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- 9) If feasible, return or destroy all PHI received from the Group Health & Welfare Plans that the University still maintains in any form and retain no copies of such information when no longer needed for the purpose for which disclosure was made, except that, if such return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction of the information infeasible; and
- 10) Ensure that the adequate separation from the Plan Sponsor, plan administration or another component of the covered entity, as required by 45 Code of Federal Regulations, section 164.504(f)(2) (iii) is established.

III. The University gives access to University employees in the following departments and other persons also noted below to the PHI to be disclosed for plan administration functions as required:

- 1) The Regents of the University
- 2) The President of the University
- 3) The Senior Vice President of Business and Finance
- 4) HR/B Associate Vice President's Office
- 5) HR/B Deputy to the AVP & Executive Director of Systemwide HR&B Strategy
- 6) HR/B Health & Welfare Policy & Program Design
- 7) HR/B Client Relations and Diversity
- 8) Business and Finance Payroll Coordination
- 9) Office of the General Counsel of the Regents
- 10) Office of the University Auditor
- 11) University location Benefit Offices
- 12) University location Payroll Offices
- 13) University location Health Care Facilitators
- 14) University location Employee Assistance Program Counselors
- 15) University location Chief Human Resource Officers
- 16) University location IT Staff

IV. Any issues of staff non-compliance with use, access, and disclosure of PHI will be subject to disciplinary action in accordance with University policies and procedures.

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## F. Health Insurance Portability and Accountability Act of 1996 (HIPAA) Security

To comply with the HIPAA Security Standards rules promulgated by HHS on February 20, 2003, the University amends this Group Insurance Regulations document to provide that the University will reasonably and appropriately safeguard electronic protected health information (ePHI) created, received, maintained, or transmitted to the University on behalf of the University's Group Health & Welfare Benefits Plans subject to the HIPAA Security Standards by:

- 1) Implementing administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information (ePHI) that it creates, receives, maintains or transmits on behalf of the University's Group Health Welfare Benefits Plans subject to the HIPAA Security Standards;
- 2) Ensuring that the adequate separation required by CFR Section 164.504(f)2(iii) of HIPAA is supported by reasonable and appropriate security measures.
- 3) Ensuring that any agent, including a subcontractor, to who the University provides ePHI agrees to implement reasonable and appropriate security measures to protect the ePHI; and
- 4) Reporting any security incident of which it becomes aware to the University's Group Health & Welfare Benefit Plans subject to the HIPAA Security Standards.