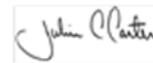


COMMISSIONER'S SIGNATURE \_\_\_\_\_



## VACATION DONATION PROGRAM - UNREIMBURSED MEDICAL COSTS

Description and Scope - - M.S. 43A.181 (Unreimbursed Medical Costs Vacation Donation Program) provides that a state employee may donate up to 12 hours of accrued vacation time in any fiscal year to an account established for the benefit of another state employee. The monetary value of the donated time (minus applicable deductions for Federal and State taxes, FICA and Medicare) will be transferred to the account of the employee named to benefit from the donation. Money in this account may be used to pay unreimbursed medical expenses when the total of those expenses is at least \$10,000 and the expenses are incurred because of an illness of or injury to a state employee or to the employee's spouse or dependent. M.S. 43A.181 provides that after all expenses have been paid to an eligible employee, any money remaining may be transferred to a general pool for distribution to other recipients whose benefit accounts have been depleted. The Commissioner of Employee Relations is authorized to administer this Program.

Objective - To establish procedures for the administration of M.S. 43A.181.

### Definitions - Key Terms

Account means an account established to retain the monetary value of donated hours (minus applicable deductions for Federal and State taxes, FICA and Medicare) for a recipient who has unreimbursed medical expenses when the total of those expenses is at least \$10,000.

Applicant means a state employee who is applying to receive the benefit of the Vacation Donation Program authorized by M.S. 43A.181.

Dependent child means a child who, at the onset of the illness/injury, is living in the same household of the employee and who is dependent upon the employee for principal support and maintenance.

DOER Program Administrator means the Department of Employee Relations employee responsible for administering the Vacation Donation Program.

Donor means any state employee who is eligible to accrue and use vacation leave (or has a personal leave balance) and who chooses to donate accrued vacation leave or personal leave to the benefit account of one or more recipients.

Medical expenses means expenses incurred for the approved illness/injury for medically necessary services and care, including prescription drugs and prescribed supplies, regardless of whether services or care are experimental or investigative. Expenses must be for services provided or prescribed by a licensed, accredited medical provider. Medical expenses do not include expenses for such items as travel, lodging, food, special diets, schools, training, or equipment/items that are not medically related. M.S. 43A.181 provides that up to 40 percent of the funds donated to an individual employee's account may be used to pay for housing and transportation accessibility costs required by the employee who suffered an injury.

Program means the Vacation Donation Program authorized by M.S. 43A.181 (Unreimbursed Medical Costs Vacation Donation Program).

Recipient means a state employee who has been approved for the Program.

Responsibilities -

A. Applicants:

- Complete “Vacation Donation Program Application”, including authorization for release of medical and expense documentation, and submit to agency human resources office with the following:
  1. A signed and dated statement from a physician that provides the nature of the illness/injury for which unreimbursed medical expenses have been incurred; and
  2. Documentation showing unreimbursed medical expenses of at least \$10,000 that have been incurred due to the illness/injury.

Note: It is the responsibility of the applicant or authorized representative to submit sufficient information so that an informed Program eligibility determination can be made. The application will not be processed if complete documentation is not included. Neither the applicant’s agency nor DOER shall be responsible for any expenses incurred in the process of obtaining necessary information.

B. Approved Recipients:

- Submit any additional documentation of unreimbursed medical expenses for the applicable injury/illness to the DOER Program Administrator within two months of the billing date.
- Maintain contact with the DOER Program Administrator regarding status of future medical expenses, including any anticipated large bills. Inform Program Administrator when no future expenses are anticipated related to the applicable illness/injury.

C. Agencies:

- Provide this administrative procedure to Program applicants.
- Determine if application and submitted documentation is complete. Request further information from applicant if information provided is insufficient for eligibility determination. Advise applicant in writing if submitted information does not meet eligibility requirements. If it appears that submitted information may meet eligibility requirements, complete agency portion of application, prepare a cover memo regarding eligibility and any other relevant information, and forward to DOER Program Administrator for final determination.
- Notify applicant of DOER’s eligibility determination.
- Coordinate preparation of an informational flyer if recipient is approved for the Program and authorizes a flyer, and submit flyer to DOER Program Administrator for distribution.
- Notify DOER Program Administrator in writing of any change in recipient’s Program eligibility status, including recipient’s separation from state service.

D. DOER Program Administrator/Designee:

- Receive Program applications and supporting documentation. Request additional information/clarification if necessary.
- After receipt of all necessary information, determine eligibility for Program, and provide written notification of approval or denial to the applicant's agency. If denied, provide reason for decision.
- Notify the Department of Finance to establish an account number for newly approved recipient, and provide account information to DOER fiscal office.
- Distribute to all state agencies any informational flyers authorized for distribution by recipient.
- Authorize payment to recipient for submitted expenses that are related to the applicable illness/injury and are reimbursable according to M.S. 43A.181, provided that sufficient funds are available in recipient's account and/or general pool. Notify recipient if payment cannot be authorized or if additional information is needed.
- Notify recipient and his/her agency when recipient is no longer eligible for the Program, and inactivate recipient's account.

E. Donor:

- Complete "Vacation Donation Program Contribution Form", and submit form to appropriate agency personnel for processing.

(Note: The state will deduct State and Federal Tax at the supplemental rate, as well as FICA and Medicare, from the monetary value of the hours donated. The amount remaining after these deductions is the amount transferred to the recipient's account. Hours donated are not considered a tax-deductible expense.)

F. Donor's Agency:

- Verify that the donor is eligible to accrue and use vacation leave and has sufficient accrued vacation hours to donate (or in the case of employees who receive personal leave days, verify the personal leave balance).
- Process donation in SEMA4 system.
- Retain "Vacation Donation Program Contribution Form" on file with other payroll documents for that pay period, in accordance with Minnesota General Records Retention Schedule for State Agencies – Classified and Unclassified Personnel Records (Payroll Files).

Provisions -

A. Donors:

1. To be eligible to donate vacation hours, an employee must be eligible to accrue and use vacation leave or have a personal leave balance, and must have an earned balance that equals or exceeds the number of hours donated.

2. The maximum amount of vacation leave an employee may donate to this Program each fiscal year is a total of 12 hours (or 1 ½ personal leave days). The 12 hours may be donated to one recipient or may be divided among two or more recipients.
3. Once an authorization to donate vacation hours/personal leave days has been processed, it is irrevocable.
4. Donations must be in whole hour increments, with one hour as the minimum donation.
5. The identity of donors and the number of hours donated are private data.

B. Recipients:

1. An employee may apply for the Program if he/she:
  - a) has been an employee of the state of Minnesota for at least six consecutive months; and
  - b) is eligible to accrue and use vacation (or personal days) and sick leave; and
  - c) is eligible for a full or partial Employer Insurance Contribution; and
  - d) is not receiving or pending receipt of workers' compensation benefits for the same illness/injury; and
  - e) shows proof of unreimbursed medical expenses of at least \$10,000 for the recipient (or his/her spouse or dependent child) that have been incurred due to the applicable illness/injury.\*

\* Note: In order to be eligible, expenses must not have been incurred for any time that the Program applicant was not an employee. Additionally, expenses must not have been incurred out of network for the same treatment that could have been obtained through the employee's state insurance benefit.

2. To remain eligible for the Program, a recipient must:
  - a) comply with responsibilities and provisions outlined in this Administrative Procedure; and
  - b) continue to have outstanding bills or be able to provide evidence that a future bill of at least \$500 is forthcoming within the next year; and
  - c) continue to have donations; and
  - d) remain in active employment status or on leave status with the state.
3. Payment will only be made for expenses related to the illness/injury for which the recipient is approved and only if sufficient funds are available.
4. Once a recipient has been approved for the Program, future documentation of unreimbursed medical expenses must be submitted to the DOER Program Administrator no later than two months after the billing date.

5. In accordance with M.S. 43A.181, up to 40 percent of the funds donated to a recipient's benefit account may be used to pay for housing and transportation accessibility costs required by the recipient as a result of his/her injury.
6. If a recipient provides notification that no further unreimbursed expenses will be incurred or if the recipient no longer meets eligibility criteria as outlined in this procedure, funds will be transferred from the recipient's benefit account to a general pool.
7. If a recipient's benefit account balance is depleted, there is no general pool available, and the recipient subsequently receives no donated hours for four consecutive pay periods, the recipient will be inactivated from the Program.
8. Any recipient found to have provided fraudulent information shall be immediately removed from the Program, subject to disciplinary action, required to repay money received from the Program, and criminal prosecution may be pursued.

C. Program Administration:

1. All Program decisions are the sole responsibility of DOER and shall not be subject to appeal to another authority or subject to the collective bargaining grievance process.
2. Program decisions and actions shall not be based upon an employee's race, religion, creed, color, age, national origin, sex, sexual orientation, marital status, disability, or status with regard to public assistance or membership or activity in a local commission.
3. Employees shall not intimidate, threaten, or coerce any other employee with respect to donating or receiving leave under this Program.
4. Vacation Donation Program data is maintained in accordance with the Minnesota Government Data Practices Act, M.S. 13.43, Subdivision 2

Other Relevant Laws, Rules, Contracts and Administrative Procedures:

The following items have an impact on material contained in this procedure. Review of these items is essential for a total understanding of the subject.

- A. Administrative Procedure 18B: Vacation Donation Program – Continued Salary