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# UNDERWRITING GUIDELINES

## FOR EMPLOYERS WITH 1–100 Employees

### Groups Beginning 1/1/18

This list is intended to be informative and is not all-inclusive. Other policies and guidelines may apply.

## Census Data

Census data must be provided on eligible (and COBRA/ Cal-COBRA eligible) employees and enrolling dependents; it must include:

- Name
- Age or date of birth
- Gender
- Residence ZIP Code
- County
- Dependent enrollment status

## Plans Available at Initial Enrollment

Employers can choose from two options when it comes to the Affordable Care Act: Platinum, Gold, Silver, and Bronze Metal Tiers.

1. **Single Metal Tier** – offer employees access to the health plans and benefits available in a **single** tier.
2. **Tiered Choice** – offer employees access to the health plans and benefits available in **two** neighboring metal tiers.

Metal Tier	HMO Plans	HSP Plans	EPO Plans	PPO Plans
Platinum	15	0	0	0
Gold	17	1	0	4
Silver	18	1	2	2
Bronze	12	1	1	0

## Employee Eligibility

- Permanent and actively working an average of 30+ hours per week over the course of a month, at the employer’s regular place of business, or 20+ hours per normal work week for at least 50% of the weeks in the previous calendar quarter
- Ineligible employees include 1099, commissioned, permanent employees eligible for medical health care coverage offered by or through a labor union, part-time, seasonal, temporary or substitute, and employees on a leave of absence not categorized as FMLA, Workers Compensation, or Military

## Employer Eligibility at Initial Enrollment

- 1–2 Employees: 100% of all employees. All groups must include at least one medical enrolled employee who is not a business owner or spouse/domestic partner of business owner
- 3–100 Employees: 70% of eligible employees enrolling in CaliforniaChoice®
- Employees with other group coverage are not counted toward participation unless employer contribution is 100%
- 51% of eligible employees must reside in California
- Home Office must be in California (principal executive office)
- Must have active Workers’ Compensation coverage
- If a business was established after the preceding quarter, payroll may be accepted in lieu of a Quarterly Wage Report, at the discretion of the Underwriter
- Valid Federal Tax ID Number (*Not a Social Security Number*)

## Dependent Eligibility

Spouse must be legally married to eligible employee.

MEDICAL, CHIRO, VISION and SMILESAVER DENTAL

Dependent Child eligibility:

- Born to, a step-child or legal ward of, adopted by, or have an established parent-child relationship with the eligible employee, employee spouse, or domestic partner
- Under age 26 (unless disabled; disability diagnosed prior to age 26)

AMERITAS DENTAL Dependent Child eligibility:

- Born to, a step-child or legal ward of, adopted by, or have an established parent-child relationship with the eligible employee, employee spouse, or domestic partner
- Financially dependent upon the employee per IRS guidelines
- Unmarried or not involved in a domestic partnership
- Under age 26 (unless disabled; disability diagnosed prior to age 26)

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continued

## Dependent Eligibility (continued)

**Disabled Dependents:** Dependents who are incapable of self-support because of continuous mental or physical disability that existed before the age limit are eligible for coverage until the incapacity ends. Documentation of disability will be requested. Once the child reaches the age limit for coverage, verification of eligibility will occur annually at the child's birthday.

## Domestic Partner Eligibility

At time of employee eligibility for enrollment, the employee and domestic partner must fall into all of the following categories:

- Neither is married under either statutory or common law or part of another domestic partnership
- Both be 18 years of age or older; or, if under 18, have a valid court order allowing partnership
- Share an intimate and committed relationship
- Agree to be jointly responsible for each other's basic living expenses incurred during the domestic relationship
- Both be mentally competent
- Not related by blood to a degree of closeness that would prohibit marriage in this state
- Agree to notify CaliforniaChoice® immediately upon termination of domestic partnership

Members who are in a same sex partnership or are the opposite sex and over the age of 62 are required to submit a state-stamped Certificate of Registration of Domestic Partnership from a state or local government agency authorized to perform such registrations within 60 days of issue; all others must submit a signed Affidavit of Domestic Partnership.

## Required Employer Contribution

Fifty-percent of the lowest cost medical benefit plan available to the employee

- Dependent participation and contribution, if any, is at the employer's discretion

## General New Business Submission Requirements

The following items must be submitted by the 3rd of the month following the requested effective date:

- Employer application
- Employee applications (medical/dental/life/vision)
- Waivers
- Owner/Partner form for owners/partners not listed on the Quarterly/Annual Wage Report with a full-time salary

- A reconciled QWR (DE9C) is required for:
  - Groups with 1-9 medically enrolling employees
  - Virgin groups (regardless of group size)
  - Groups with a lapse of coverage of more than 3 months
  - Groups with a variance of 10% or more between the number of employees enrolling and the number of employees on the most recent prior carrier bill
- A copy of the most recent prior carrier bill is required (no DE9C) for:
  - Groups with 10+ medically enrolling employees
  - Groups with a variance of less than 10% between the number of employees enrolling and the number of employees on the most recent prior carrier bill
  - Groups with a lapse of coverage of 3 months or less
- Employer may submit a copy of the group's premium deposit check, payable to CaliforniaChoice, at case submission. Original check(s) or completed ACH Payment Form for at least 90% of total premium due must be received by the Underwriter prior to case approval.
- Groups coming from Kaiser Permanente to CaliforniaChoice may only apply at their anniversary.

See website for detailed submission checklist.

## Effective Dates

First of the month (employer may apply 90 days in advance – rate at time of effective date will apply)

## Waiting Period (All Employees)

First day of the month following:

- Date of hire
- 30 days
- 60 days (NOT to exceed 90 days)

*Waiting period may be waived at initial group enrollment.*

## Billing Fee

Per employer group, per billing location, per month:

- 1 – 8 employees: \$20
- 9 – 20 employees: \$25
- 21+ employees: \$30



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