

# Underwriting Guidelines

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## Underwriting Guidelines

### Age Band or Composite:

#### **Aetna**

- Only age band rates available
- Composite rates are not available for groups of 1 to 100 lives

#### **Anthem Blue Cross**

- Only age band rates available
- Composite rates are not available for groups of 1 to 100 lives

#### **Blue Shield**

- Only age band rates available
- Composite rates are not available for groups of 1 to 100 lives

#### **CaliforniaChoice**

- Only age band rates available
- Composite rates are not available for groups of 1 to 100 lives

#### **Covered California for Small Business**

- Only age band rates available

#### **Health Net**

- Only age band rates available
- Composite rates are not available for groups of 1 to 100 lives

#### **MediExcel**

- Only age band rates available
- Composite rates are not available for groups of 1 to 100 lives

#### **Sharp**

- Only age band rates available
- Composite rates are not available for groups of 1 to 100 lives

#### **UnitedHealthcare**

- Only age band rates available
- Composite rates are not available for groups of 1 to 100 lives

## Underwriting Guidelines

### Carve Out Criteria:

#### Aetna

- No carve outs allowed except for union vs non-union
- Union carve outs that meet the definition of a Small Employer with a minimum of five enrolled employees who reside within the Aetna California network service area are eligible for coverage
- The total size of the group (union and non-union) cannot be more than 100 full-time equivalents (FTE)

#### Anthem Blue Cross

- No carve outs allowed except for union vs non-union
- Total group (union and non-union employees) must also be 100 or less employees in order to written in small group
- A copy of the union roster will be required identifying the union members

#### Blue Shield

- No carve outs allowed except for union vs non-union
- When the total number of both union and nonunion employees does not exceed 100, the employer can apply for small group coverage to cover only the nonunion employees
- A copy of the collective bargaining agreement showing that the employer pays contributions to the trust fund must be provided
- Must also provide a copy of the Statement of ERISA Rights from the union trust fund Summary Plan Description

#### CaliforniaChoice

- No carve outs allowed except for union vs non-union if the union employees are determined to be ineligible
- The union employees would be considered ineligible as long as the union contract states that the union members cannot seek coverage outside of the union benefits
- The union billing statement must be provided and reconciled against the DE9C, provide a copy of the employee's Union card for Union employees not listed on the billing statement
- Total group size with both the union and non-union employees cannot exceed 100 employees

#### Covered California for Small Business

- No carve outs allowed except for union vs non-union
- The union employees would be considered ineligible as long as the employer has a collective bargaining agreement with the union.
- Total group (union and non-union employees) cannot exceed 100 employees

#### Health Net

- No carve outs are allowed. Union vs non-union can enroll as long as qualifications are met
- the group cannot have more than 100 total employees in both the union and non-union populations
- Small employers with union employees who are covered by a labor fund must provide both the collective bargaining agreement and employer contribution report

#### MediExcel

- Carve out's are allowed. They must be underwritten by MediExcel and accepted upon review.
- The carve-out classes must be IRS non-discriminatory and in compliance with ACA, and all eligible employees in the non-carve-out class are offered coverage

## **Underwriting Guidelines**

### **Carve Out Criteria:**

#### **Sharp**

- Class Carve outs are underwritten individually by plan and accepted upon underwriting review and require a minimum of 5 enrolled, with 100% participation - allowing for valid waivers.
- Sharp requires a list of all employees with job titles and a letter from the employer requesting the carve out

#### **UnitedHealthcare**

- No carve outs allowed except for union vs non-union
- Group must be in a current labor agreement with the union
- The entire group size must be 100 or less employees in order to written in small group
- Groups consisting of Union/Non-Union employees must also provide a copy of their union bill

## Underwriting Guidelines

### Employer Eligibility:

#### Aetna

- Any person, firm, corporation, partnership, public agency or association that is actively engaged in business or service, on at least 50% of its working days during the previous calendar quarter or previous calendar year, with at least one eligible employee who is not the proprietor or spouse of proprietor but not more than 100 eligible employees, the majority (51%) of whom were employed within California, that was not formed primarily for purposes of buying insurance, and in which a bona fide employer-employee relationship exists
- The owner or officer signing the employer group application for the group must be a resident for tax purposes in the state in which the group is applying for medical coverage
- The W-2 employee may not be the owner of the business, the employee can be a domestic partner but not a spouse

#### Anthem Blue Cross

- Any person, firm, proprietary or nonprofit corporation, partnership, public agency or guaranteed association, actively engaged in business, employing an average of at least 1 but no more than 100 fulltime, including full-time equivalent employees during the preceding calendar year and who employs at least one employee on the first day of the plan year.
- At least 51% of all eligible employees must be employed in California
- Must have and maintain business licensure and/or appropriate state filings allowing the company to conduct business in California
- Must involve a bona fide employer/employee relationship with 1 common law employee who may not be the owner or the owner's spouse
- Owner only S or C corporations or LLCs allowed as long as the owners are not husband & wife and the client can sign the Eligibility Form that states they are drawing wages

#### Blue Shield

- Any person, firm, proprietary, non-profit corporation, partnership, public agency or guarantee association that employed at least 1 and not more than 100 full time or full time equivalent common law employees, as defined by the IRS as anyone who performs services for an employer if the employer can control what will be done and how it will be done for at least 50% of the working days in the preceding calendar quarter or year (whichever test is more favorable for eligibility)
- At least 51% of the group's employees must be employed in California (owner's not included in this calculation)
- Group cannot be formed primarily for the purpose of buying insurance
- Groups with only a sole proprietor with a spouse or domestic partner who is the employee are not eligible for coverage

## Underwriting Guidelines

### Employer Eligibility:

#### CaliforniaChoice

- Group must have at least 1 and less than 100 eligible employees
- All groups must have at least 1 common law, medically enrolled employee who is not a business owner or spouse/domestic partner of the business owner
- If enrolling common law employee has the same last name as the owner, the relationship between the two will be
- For groups of 1 to 2 enrolling employees, each common law employee must be on payroll for at least 6 weeks prior to effective date of coverage
- For groups of 3 to 4 lives, must have at least 1 common law employee on payroll for a minimum of 6 weeks and all others on payroll for at least 1 week prior to the effective date of coverage (full month payroll to follow)
- Groups of 5+ enrolled employees, must be able to provide at least 1 week of payroll on all employees (with a full month to follow)

#### Covered California for Small Business

- Group must have at least 1 to 100 full-time equivalent employees
- All groups must have at least 1 common law, medically enrolled employee who is not a business owner or spouse/domestic partner of the business owner

#### Health Net

- Any person, proprietary or nonprofit firm, corporation, partnership, public agency, or association that is actively engaged in business or service that has a majority of its employees working within the state who employs at least one but not more than 100 full-time equivalents on at least 50% of its working days during the preceding calendar quarter or year
- Group with 1 to 100 eligible employees
- Owner only groups are not eligible, and there must be a minimum of 1 W-2 employee who is not a spouse of the owner or partner

#### MediExcel

- An employer that meets the eligibility requirements under ACA is eligible for guaranteed issue and guaranteed renewal under a small group health plan
- The employer must have at least 1 but not more than 100 full time and full time equivalent employees (owners) for at least 50% of the preceding calendar quarter or calendar year
- No owner only groups. Husband and wife groups are permitted as long as there is at least one W2 common law
- An employer must maintain business licensure and/or appropriate state filings allowing the company to conduct business in San Diego County or Imperial County

## Underwriting Guidelines

### Employer Eligibility:

#### Sharp

- Group must be a person, firm, proprietary or nonprofit corporation, partnership, public agency, sole proprietor, owner of an S corporation, or guaranteed association that was actively engaged in business or service at least 50% of the preceding calendar quarter or 45 days prior to the requested effective date
- Must have had at least one but no more than 100 full-time equivalent employees for 50% of the preceding calendar
- The Group must cover at least one W-2 employee
- At least one of the W-2 employees cannot be an owner or spouse of an owner

#### UnitedHealthcare

- Employer must have at least 1 but no more than 100 permanent, active full-time employees for 50% of the preceding calendar quarter or calendar year
- Must have at least 1 W-2 employee who is not an owner or the spouse of the owner who enrolls in coverage
- Group must maintain business licensure and/or appropriate state filings allowing the company to conduct business in California and not have formed for the purpose of obtaining insurance
- Single employee companies are not eligible
- Owner only S or C corporations or LLCs allowed as long as the owners are not husband & wife

## Underwriting Guidelines

### 15th of the Month Effective Date:

#### **Aetna**

- Yes
- All application material must be received by the 5th day after the requested effective date
- Only for groups with no prior coverage or are coming off of a 15th of the month effective date

#### **Anthem Blue Cross**

- Yes
- All application material must be received by the 12th calendar day of the month

#### **Blue Shield**

- Yes, but only if replacing coverage that is already on a 15th billing cycle
- HMO may only have 1st of month effective date
- All application material must be received by the 20th of the month that coverage is applied for

#### **CaliforniaChoice**

- Not Available

#### **Covered California for Small Business**

- Not Available

#### **Health Net**

- Yes, but only if replacing coverage that is already on a 15th billing cycle
- All application material must be received by the 20th of the month that coverage is applied for

#### **MediExcel**

- Not Available

#### **Sharp**

- Not Available

#### **UnitedHealthcare**

- Yes, but can offer PPO plans only (Select Plus, Select Plus Direct, Select Plus HSA and Traditional)
- No HMO plans may be offered for a 15th effective date
- Application material must be received by the 20th of the month

## Underwriting Guidelines

### HIPAA Certificates:

#### **Aetna**

- Terminated member will receive a HIPAA certificate
- Will provide an eligibility letter/termination notice upon request

#### **Anthem Blue Cross**

- No longer producing HIPAA certificates for terminated employees
- Will provide an eligibility letter/termination notice upon request

#### **Blue Shield**

- Blue Shield is producing Coverage Cancellation notice/termination letter in lieu of HIPAA certificate for terminated employees

#### **CaliforniaChoice**

- See individual carrier for each carrier's guideline

#### **Covered California for Small Business**

- See individual carrier for each carrier's guideline

#### **Health Net**

- Health Net is producing Coverage Cancellation Notice/Termination letter in lieu of HIPAA certificate for terminated employees

#### **MediExcel**

- MediExcel will provide a Loss of Coverage letter upon request for terminated employees

#### **Sharp**

- Sharp provides a Coverage Termination letter for termed employees

#### **UnitedHealthcare**

- UHC is producing Coverage Cancellation Notice/Termination letter in lieu of HIPAA certificate for terminated employees

## Underwriting Guidelines

### Husband & Wife Groups:

#### **Aetna**

- There must be one enrolled W-2 employee who is not the owner and not the owner's spouse
- Husband & wife can enroll together or separately

#### **Anthem Blue Cross**

- Must have at least 1 W-2 employee (non-spouse) who may enroll or waive coverage (must be a valid waiver)
- Husband & wife can enroll together or separately

#### **Blue Shield**

- Must have at least 1 W-2 employee who may enroll or waive coverage (must be a valid waiver)
- Husband & wife can enroll together or separately
- If the company is a husband/wife corporation or LLC, one of the spouses may satisfy the requirement of the 1 needed W-2 or common law employee if that spouse is not an owner of the company as verified by filed ownership documents or K-1s for all owners

#### **CaliforniaChoice**

- Must have at least one non-owner, non-spouse/domestic partner W-2 employee. The non-owner, non-spouse/domestic partner W-2 employee must enroll
- Husband & wife can enroll together or separately

#### **Covered California for Small Business**

- Must have at least 1 W-2 employee who is not a spouse, may enroll or waive coverage (must be a valid waiver)
- Husband & wife can enroll together or separately

#### **Health Net**

- Must have at least 1 W-2 employee who may enroll or waive coverage (must be a valid waiver)
- Husband & wife can enroll together or separately

#### **MediExcel**

- Husband/wife-only groups are not eligible for group coverage
- Must have at least 1 W-2 employee who may enroll or waive coverage (must be a valid waiver)
- Husband & wife can enroll together or separately

#### **Sharp**

- Must have at least 1 W-2 employee who may enroll or waive coverage (must be a valid waiver)
- Husband & wife can enroll together or separately

#### **UnitedHealthcare**

- Husband/wife groups and sole proprietors are not eligible unless there is at least one eligible common law employee enrolling
- Husband & wife are required to enroll separately in this case. Any children can only be covered under one parent's plan

## Underwriting Guidelines

### Multiple Plan Options:

#### **Aetna**

- Employer may offer up to 5 different plans
- Enrollment is only required in one plan

#### **Anthem Blue Cross**

- At enrollment, group may select only 1 PPO network and up to any 2 HMO network options, and can offer all HMO or PPO options within the metal tiers

#### **Blue Shield**

- The Blue Shield Off Exchange Package for Small Business or the Mirror Package is available for groups with 1 or more enrolled employees
- Employers whose place of business is located outside of one of Blue Shield's HMO service areas will not have the option of offering an HMO plan within the Off Exchange package (cannot be outside the Trio ACO HMO service area for the Mirror Package)
- Employees must live or work within the HMO plan's service area. Employers with employees who reside or work more than 6 months outside of California should consider a PPO plan
- Group may offer multiple Access+ HMO and Trio ACO HMO plans together in the Off Exchange Package, but the Local Access+ HMO plans cannot be offered with Access+ HMO or Trio HMO plans. Only the Trio ACO HMO plans are available in the Mirror Package
- The Mirror Package cannot be offered alongside another carrier, and the plans in the Mirror Package cannot be offered with plans from any other package

#### **CaliforniaChoice**

- Employer may offer all plans in one tier, or all plan in two adjacent metal level tiers, or all plans in the triple tier selection
- Also, full and limited networks may be offered together within the metal tier

#### **Covered California for Small Business**

- Employer may offer all plans in one tier or two adjacent metal level tiers

#### **Health Net**

- Enhanced Choice option allows groups enrolling at least 1 employees to mix and match all Health Net plans
- Groups of 2 or more may mix and match any plans within the following networks: Full Network HMO, WholeCare HMO, SmartCare HMO, Salud HMO y Mas, Community Care HMO, HSP and Full network HMO.

#### **MediExcel**

- Groups may offer plans in combination as long as P5 or P20 is one of the combined plans

## **Underwriting Guidelines**

### **Multiple Plan Options:**

#### **Sharp**

- 1-5 enrolled: 2 plans on 1 network
- 6+ enrolled: 6 plans on each of 2 networks maximum
- Dual plan and network options available
- Any 2 networks may be offered together (so Riverside groups, Choice network must be offered)
- To offer HMO/PPO, group must have at least 10 active subscribers enrolled and no more than 15% participation on the PPO product
- The Premier network is only allowed when all PPO is out-of-area. Sharp Health Plan partnership PPO product is not available alongside another carrier

#### **UnitedHealthcare**

- Groups with 1 to 100 active employees may select all plans in the package chosen
- If they select all plans, then they may only have a 1st of the month effective date

## Underwriting Guidelines

### Out of State Guidelines:

#### Aetna

- Majority of the employees (51% or more) in the group must reside in California
- Employees who live/work in an out of state network area will receive California rates & products
- Out-of-state employees who live in an area with a OA Managed Choice POS network must enroll in the California OA Managed Choice plan
- Open Choice PPO plan is no longer available for employees that don't reside in an OA Managed Choice POS network area
- HMO plans are not allowed for employees located outside of the CA HMO service area. Dependents enrolled on an HMO Plan have coverage for emergency services only outside of the CA HMO service area

#### Anthem Blue Cross

- Majority of the employees (51% or more) in the group must be working in California
- Those employees not in California may be written on a PPO plan and receive the PPO benefits when using BlueCard providers in their area

#### Blue Shield

- Majority of the employees (51% or more) in the group must be employed in California
- Those employees not in California may be written on a PPO plan and receive the PPO benefits when using BlueCard providers in their area
- If a group has employees outside of California, then Blue Shield will also require a copy of their latest, full payroll register in addition to all regular enrollment material

#### CaliforniaChoice

- Group must have 51% of their eligible employees residing in California
- Those employees who are not in a California service area may be written on a PPO plan if they are in an Anthem PPO service area (out of state employees cannot pick the Health Net PPO)
- Home Office (Principal Executive Office) must be located in California

#### Covered California for Small Business

- 51% or more of a group's employees must reside in a California rating area
- Blue Shield PPO (all metal tiers) is available for out of state employees
- Employer may participate in multiple SHOPS if the employer offers coverage to employees whose primary work site is in the SHOP service area
- Plan availability and rates will be tied to the CA worksite address where the majority of that employer's CA employees

#### Health Net

- The majority of the group must be employed within the California service area
- A maximum of 49% of the group's eligible and enrolled population may be written on the OOS PPO product
- Those employees who are not in a California service area may be written on a PPO plan if they are in a PPO service area

#### MediExcel

- Group must either be headquartered in San Diego/Imperial County OR have a location in San Diego/Imperial county. Out of state employees are not allowed.

## **Underwriting Guidelines**

### **Out of State Guidelines:**

#### **Sharp**

- Out of state employees only can be covered on a PPO plan only
- No more than 15% of the group can be on a PPO product

#### **UnitedHealthcare**

- Group must have a majority (51%) of all employees employed in California to be written and rated in California
- If there is not 51% of the eligible employee population in any one particular state, then the base location is the state where the majority (50% or more) of the employees are employed and whom are enrolling for medical coverage
- If no majority exists, then the base location is the state where the plurality (location where most of the employees are employed) of employees are employed and who are enrolling for coverage
- If a plurality doesn't exist, then the final step would be where the company is headquartered
- Base location for the business must be actual physical employer location (not employees working from home)

## Underwriting Guidelines

### Over-age Dependent Children:

#### **Aetna**

- Over-age dependent children can be covered on their parent's plan up to age 26
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

#### **Anthem Blue Cross**

- Over-age dependent children can be covered on their parent's plan up to age 26
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

#### **Blue Shield**

- Over-age dependent children can be covered on their parent's plan up to age 26
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

#### **CaliforniaChoice**

- Over-age dependent children can be covered on their parent's plan up to age 26
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

#### **Covered California for Small Business**

- Over-age dependent children can be covered on their parent's plan up to age 26
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

#### **Health Net**

- Over-age dependent children can be covered on their parent's plan up to age 26
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

#### **MediExcel**

- Over-age dependent children can be covered on their parent's plan up to age 26
- MediExcel will allow dependent only coverage on their plan
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

#### **Sharp**

- Over-age dependent children can be covered on their parent's plan up to age 26
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

#### **UnitedHealthcare**

- Over-age dependent children can be covered on their parent's plan up to age 26
- They may be covered regardless of student status, marital status, residence, employment status or financial dependence on the primary enrollee

## Underwriting Guidelines

### Owner Only Groups:

#### **Aetna**

- Owner only groups are not allowed
- There must be one enrolled W-2 employee who is not the owner and not the owner's spouse

#### **Anthem Blue Cross**

- Owner only S Corp, C Corp or LLC allowed as long as the owners are not husband & wife or domestic partners and own more than 2%
- Owners must sign the Eligibility Form that states they are drawing wages

#### **Blue Shield**

- Owner only groups are not allowed. Group must have a W2 Common Law employee who can either enroll or waive, however, the group must meet participation
- Groups with only a sole proprietor and spouse who is the employee are not eligible for coverage

#### **CaliforniaChoice**

- Owner only groups are not allowed. All groups must have at least 1 common law, medically enrolled employee who is not a business owner or spouse/domestic partner of the business owner

#### **Covered California for Small Business**

- Group must have a W2 Common Law employee who can either enroll or waive, must be a valid waiver.

#### **Health Net**

- Owner only groups are not allowed. Group must have a W2 Common Law employee who is not the spouse of the owner/partner. The W2 employee can either enroll or waive

#### **MediExcel**

- Owner only groups are not allowed

#### **Sharp**

- Group must have a W2 Common Law employee who can either enroll or waive

#### **UnitedHealthcare**

- Owner only allowed if they are a C-Corp, S-Corp or LLC with at least two owners (non-spouses, non-domestic partners), and have at least one enrolling owner actively working the minimum required hours

## Underwriting Guidelines

### Ownership Documentation Requirements:

#### Aetna

- For owners and officers not appearing on company DE9C, no additional documentation required
- Proof of Eligibility form, no longer required
- For groups coming to Aetna with no prior medical coverage, tax documents will be required though for any owners not on the DE9C

#### Anthem Blue Cross

- For owners and officers not appearing on the company DE9C, the following additional information is required for ALL size groups:

Sole Proprietorship: Business license or Fictitious Business Name filing required on all sole proprietorship groups

- If the owner is not on the DE9C, then a completed Eligibility Statement is required with the last filed Schedule C required
- If not in business long enough to have filed a Schedule C, then the business license or FBN must be provided

Partnership:

- If partners are not on the DE9C, then a completed Eligibility Statement is required with a current K-1 for each partner
- If not in business long enough to have a K-1, then a partnership agreement and the federal TIN appointment letter are required

• If partnership is a foreign limited partnership, then group must provide a copy of the filed Foreign Limited Partnership Application for Registration

"C" or "S" Corporation: All are required to provide the Statement of Information (Articles of Incorporation with stamped meeting minutes corporate meeting minutes listing the names of all officers may be considered)

- Anthem Eligibility Statement for enrolling officers not on the quarterly wage report and tax Form 1120 with Schedule 1125E for C Corp or K-1 for S Corp

• If the corporation is a foreign corporation, then group must provide the filed Certificate of Qualification

LLC: Articles of Organization with the Operating Agreement required on all LLC groups

- If managing members are not on the DE9C, then a completed Eligibility Statement is required with a current K-1 for each member
- If not in business long enough to have a K-1, then a filed Statement of Information or filed the Articles of Organization with the Operating Agreement naming all LLC members may be substituted
- Foreign LLCs are also required to provide a copy of their filed Foreign LLC Application for Registration

#### Blue Shield

- For all eligible owners and officers not appearing on company DE9C, provide a completed Sole Proprietor, Partner, Corporate Officer Statement. The following additional ownership paperwork required by entity type. Groups enrolling 5 or more are not required to submit owner compensation or owner documentation under Express Enrollment

Sole Proprietorship: last Schedule C required with business license or Fictitious Business filing

- If Schedule C has not been filed yet due to length of time in business, then proof of income is required

Partnerships: copy of the most recent Schedule K-1 required for each partner with the partnership agreement, business license or Fictitious Business Filing

- If they have not been in business long enough to have filed K-1s, then proof of income is required in addition the documents mentioned above

## Underwriting Guidelines

### Ownership Documentation Requirements:

#### Blue Shield (continued)

"C" or "S" Corporation: the last Schedule K-1 (or W2) for each officer and a copy of the stamped Statement of Information or the filed Articles of Incorporation (but only if the names of all officers listed) are required

- Foreign corporations also required to provide copy of Certificate of Qualification or Statement by Foreign Corporation
- If the company has not been in business long enough to have filed K-1s, then other proof of income is required in addition to the documents mentioned above

LLC: Recent K-1s (or other proof of income if the K-1s are not filed yet) for each owner and the Statement of Organization with the Operating Agreement are required

- Foreign LLCs also required to provide copy of Foreign LLC Application for Registration
- For all cases, Blue Shield may request additional documentation for owners not on a DE9C if their eligibility remains in question

#### CaliforniaChoice

- For owners and officers not appearing on company DE9C, the Owner/Partner Statement form is needed. The following additional ownership paperwork may be required for groups enrolling 1 to 4 employees

Sole Proprietorship: Schedule C for previous year, or a current Business license listing the owner's name or Fictitious Business Filing

Partnership: Copy of legal notarized partnership agreement dated and notarized prior to requested effective date, or K-1s for all partners from the previous year, or a Statement of Partnership Authority State Endorsement stamp dated prior to the requested effective date, or Certificate of Limited Partnership with state endorsement stamp dated prior to the requested effective date

"C" Corporation: stamped Statement of Information listing all corporate officers with state endorsement stamped prior to the effective date, or 1125-E or for preceding calendar year to include owner/partner's name

LLC: LLC Statement of Information listing owner/partners with state endorsement stamped prior to the effective date, or 1065 K-1 for preceding calendar year

#### Covered California for Small Business

- The following additional ownership paperwork is required for groups of all sizes:

Sole Proprietorship: Business license with names of all owners listed, or the Fictitious Business Name Statement with the owners listed, Schedule C (if owner is enrolling and not on DE9C)

Partnership: Partnership agreement with the names of all owners listed, or a copy of each partners' Schedule K-1. If K-1 not yet available, provide Federal Tax ID Appointment letter and copy of partnership agreement

Corporation: Statement of Information listing the names of all officers and if in business less than 3 months also provide the Filed and Stamped Articles of Incorporation

LLC: Statement of Information listing all LLC members/managers or K-1

LLP: Statement of Information listing all LLC members/managers or K-1

#### Health Net

- For owners and officers not appearing on company DE9C, following additional ownership paperwork required:
- Groups of 25 or more active subscribers that are enrolling eligible sole proprietors, partners, or officers that are not on the DE-9C may submit the Proof of Eligibility Statement for Sole Proprietor, Partner, or Corporate Officer, in lieu of ownership documentation

Sole Proprietorship: IRS Form 1040 Schedule C, or Fictitious Business Name Filing, or CA Business license

Partnership: Schedule K-1 for all eligible owners, or Statement of Partnership Authority (General Partnerships) or Certificate of Limited Partnership if Limited, or Partnership Agreement (deemed acceptable per underwriter's discretion), or Fictitious Business Name Statement showing both names, or Tax certificate showing both names

## Underwriting Guidelines

### Ownership Documentation Requirements:

#### Health Net (continued)

"C" Corporation: IRS Form 1120 (as long as all owners and percentage of stock owned is listed), or filed Articles of Incorporation with all officers listed, or stamped Statement of Information with all officers listed, and if a foreign corporation provide the Statement and Designation by Foreign Corporation

"S" Corporation: Schedule K-1 for each owner, Articles of Incorporation (filed and listing names of all officers), or stamped copy of Statement of Information, or Form 2553 (if accompanied by IRS approval letter), and Statement and Designation by Foreign Corporation (if business is a foreign corporation)

LLC: Schedule K-1 for each owner, or IRS form 1120 with the Schedule E (if all owners are listed with their % ownership), or the filed Articles of Organization including the Operating Agreement, or the stamped Statement of Information listing the names of the members, and if a Foreign LLC the Limited Liability Company Application for Registration

- For corporations, officers who are not on the DE9C must be listed on the Statement of Information. Directors must be on the DE-9C in order to be considered eligible
- For Limited Liability Companies, LLC Members are eligible only if they are responsible for running the day-to-day activities of the company. Otherwise, only the LLC Member Manager and/or any appointed officers are eligible
- An unstamped copy may be accepted under certain circumstances with a print out from the business portal and a copy of the filed Articles if at least one officer listed on the un- stamped Statement of Information is also listed as the Agent for Service of Process

#### MediExcel

- For owners and officers not appearing on company DE9C, following additional ownership paperwork required for ALL size groups:

Sole Proprietorship: Business license, fictitious business name statement or Schedule C

Partnerships: Business license (showing all names), fictitious business name statement (showing all names) or Schedule K tax form (for each partner)

Corporation: Corporation documents, Articles of Incorporation or Statement of Information

#### Sharp

- For owners and officers not appearing on company DE9C, Owner/Partner form must be completed and returned with the following additional ownership paperwork for groups of all sizes:

Sole Proprietorship: Business license with names of all owners listed, or the Fictitious Business Name Statement with the owners listed, or a copy of the latest Schedule C tax form

Partnership: Business license with the names of all owners listed, or the Fictitious Business Name Statement with all owners listed, or a notarized copy of the partnership agreement, or a copy of each partners Schedule K-1 tax form

"C" Corporation: Articles of Incorporation listing all officers' names or the Statement of Information Domestic Stock Corporation listing the names of all officers

- Foreign corporations also required to provide copy of a Certificate of Qualification or Statement by Foreign Corporation

"S" Corporation: Articles of Incorporation listing all officers' names or the Statement of Information Domestic Stock Corporation listing the names of all officers

- Foreign corporations also required to provide copy of a Certificate of Qualification or Statement by Foreign Corporation

LLC: Articles of Organization required with the LLC Statement of Information and the LLC Application for Registration

- Foreign LLCs also required to provide copy of Foreign LLC Application for Registration

## Underwriting Guidelines

### Ownership Documentation Requirements:

#### UnitedHealthcare

- For owners and officers not appearing on the company DE9C, the following additional information is required for ALL size groups:

Sole Proprietorship: In business less than 1 year, copy of business license with the owner's name listed.

- In business over 1 year, the last filed Schedule C

Partnership: In business less than 1 year, partnership agreement listing & signed by all partners, and IRS or Secretary of State letter indicating issued tax ID number

- In business over 1 year, K-1 for each partner that does not appear on the DE9C is required. A Partnership Agreement is acceptable if the K-1 has not been filed. A copy of the filing extension is required

"C" Corporation: In business less than 1 year, Articles of Incorporation, IRS or Secretary of State letter indicating issued tax ID number

- In business over 1 year, IRS Form 1120 and IRS 1120 Schedule G and IRS form 1125-E including all owners/officers

"S" Corporation: In business less than 1 year, Articles of Incorporation, IRS or Secretary of State letter indicating issued tax ID number

- In business over 1 year, IRS Form 1120 Schedule K-1 for each owner/officer who does not appear on the DE9C

LLC: In business less than 1 year, LLC Agreement signed by all managers/members/parties, IRS or Secretary of State letter indicating issued tax ID number

- In business over 1 year, A Schedule K-1 or Schedule C is required for all owners/partners if one or more of the owners does not appear on the DE9C

## Underwriting Guidelines

### Participation Guidelines:

#### Aetna

- If 100% employer paid, then 100% participation is required, excluding valid waivers
- For contributory plans, 60% of eligible employees excluding valid waivers, rounded down
- Groups offering other carrier's HMO must have at least 40% participation with Aetna and minimum of 5 CA employees enrolling in an Aetna plan
- Employees covered by the same employer on another group policy are not considered a valid waiver.

#### Anthem Blue Cross

- If 100% employer paid, then 100% participation is required, excluding valid waivers
- 70% participation required for groups with 1 to 14 eligible employees
- 50% participation required for groups with 15 or more eligible employees
- Relaxed participation for groups of 5 or more enrolled is 25%, and 65% for groups of 1-4 enrolled

#### Blue Shield

- If 100% employer paid, then 100% participation is required, excluding valid waivers
- For the Off Exchange Package, Blue Shield requires a minimum of 1 employee and at least 65% of all eligible employees to enroll
- For the Mirror Package, Blue Shield requires a minimum of 1 employee and at least 70% of all eligible employees to enroll
- 100% participation is required in the Pediatric Dental plan for all employees and dependents under age 19 enrolled in Blue Shield plan
- Relaxed participation for groups of 5 or more enrolled is 25%
- If selecting Trio only plans (must be selected on master app), no participation requirements apply

#### CaliforniaChoice

- If 100% employer paid, then 100% participation is required
- For groups of 1 to 2 employees, 100% participation required
- For groups of 3 to 100 employees, 70% participation required
- All groups must include at least 1 medically enrolled employee who is not a business owner or spouse/domestic partner of the business owner

#### Covered California for Small Business

- For groups of 1 to 3 eligible employees, 100% participation required, excluding valid waivers
- For groups of 3 to 100 employees, 70% participation required, excluding valid waivers

## Underwriting Guidelines

### Participation Guidelines:

#### Health Net

- Enhanced Choice A & B for groups of 1-5 eligible employees, 66% minimum participation is required
- Enhanced Choice A & B for groups of 6-100 eligible employees, 35% minimum participation is required
- Salud HMO Package requires 2 enrolling subscribers (through June 2019)
- HMO Only requires 10 active subscribers, can be written alongside other carriers (through June 2019)

#### MediExcel

- Effective 7/1/19, Small Group Minimum Participation is 1 enrolled employee on the Gold Mirrored Plan. 3 or more employees are required for the other plans as well as multiple plan
- Waivers are only required when the only enrolling employees are the business owners or company officers

#### Sharp

- If 100% employer paid, 100% participation is required excluding valid waivers
- If contributory, for HMO only plans at least 60% participation is required, excluding valid waivers
- For HMO/PPO option, must have a minimum of 10 active enrolled subscribers, and no more than 15% may elect a PPO plan

#### UnitedHealthcare

- If 100% employer paid, then 100% participation is required, excluding valid waivers
- If contributory, then at least 60% of all eligible employees must enroll excluding valid waivers
- Groups offering the UHC Choice Simplified Package and a staff model must have at least 60% participation between the two carriers with 5 *California* employees enrolling with UHC
- Groups offering the UHC Multi-Choice® State Package and a staff model must have at least 60% participation with UHC

## Underwriting Guidelines

### Part-Time Employee Enrollment:

#### **Aetna**

- May cover employees who work 20 - 29 hours per week if the employer offers coverage to all similarly situated individuals under the group plan and the employee otherwise meets the definition of an employee except for the number of hours worked per week
- The employee worked at least 20 hours per normal workweek for at least 50% of the weeks in the previous calendar quarter
- Aetna may require payroll records to document the hours and time period in question

#### **Anthem Blue Cross**

- May cover employees who work 20 - 29 hours per week if the employer offers coverage to all similarly situated individuals under the group plan and the employee otherwise meets the definition of an employee except for the number of hours worked per week
- The employee worked at least 20 hours per normal workweek for at least 50% of the weeks in the previous calendar quarter
- Anthem may require payroll records to document the hours and time period in question

#### **Blue Shield**

- May cover employees who work 20 - 29 hours per week if the employer offers coverage to all similarly situated individuals under the group plan and the employee otherwise meets the definition of an employee except for the number of hours worked per week
- The employee worked at least 20 hours per normal workweek for at least 50% of the weeks in the previous calendar quarter
- Blue Shield will require payroll records to document the hours and time period in question

#### **CaliforniaChoice**

- May cover employees who work 20 - 29 hours per week if the employer offers coverage to all similarly situated individuals under the group plan and the employee otherwise meets the definition of an employee except for the number of hours worked per week
- If employer elects to cover part time employees, those employees must have worked at least 20 but no more than 29 hours per normal work week for 50% of the working days in the previous calendar quarter

#### **Covered California for Small Business**

- May choose to cover employees who work 20 - 29 hours per week at the employer's discretion

#### **Health Net**

- May cover employees who work 20 - 29 hours per week if the employer offers coverage to all similarly situated individuals under the group plan and the employee otherwise meets the definition of an employee except for the number of hours worked per week
- The employee worked at least 20 hours per normal workweek for at least 50% of the weeks in the previous calendar quarter
- Health Net may require payroll records to document the hours and time period in question

## **Underwriting Guidelines**

### **Part-Time Employee Enrollment:**

#### **MediExcel**

- Group may request to cover employees working a minimum of 20 hours per week at the time of the initial application for insurance
- Coverage must also be offered to all similarly situated individuals

#### **Sharp**

- May cover employees who work 20 - 29 hours per week if the employer offers coverage to all similarly situated individuals under the group plan and the employee otherwise meets the definition of an employee except for the number of hours worked per week (defined by SB 1790)

#### **UnitedHealthcare**

- May cover employees who work 20 - 29 hours per week if the employer offers coverage to all similarly situated individuals under the group plan and the employee otherwise meets the definition of an employee except for the number of hours worked per week
  - The employee worked at least 20 hours per normal workweek for at least 50% of the weeks in the previous calendar quarter
- UnitedHealthcare may require payroll records to document the hours and time period in question

## Underwriting Guidelines

### PEO Guidelines:

#### Aetna

- Groups currently with a PEO that offers health coverage through the PEO to any members are not eligible for coverage with Aetna
- Groups currently with a PEO who indicate health coverage is not available through the PEO must provide a letter from the PEO indicating health coverage is not available
- If the group has terminated the contract with the PEO, they must provide a copy of the contract termination letter from the PEO, and the letter must verify the cancellation of the leasing arrangement and the date of cancellation of the contract
- Groups using only payroll services are eligible subject to meeting all standard underwriting guidelines such as eligibility and participation. Most recent DE9C required
- A minimum of 2 weeks payroll required. Underwriting may request up to 6 weeks. Payroll can be under the PEO's tax ID #, but it must be specific to the group to be insured and have the group's name on the report

#### Anthem Blue Cross

- A business leasing employees from a PEO cannot cover these employees under Anthem group coverage
- Client must terminate the relationship with the PEO. Group must meet eligibility requirements
- Group must provide a copy of PEO client invoice billed to the worksite business, which includes names of each employee previously leased to the worksite employer
- Conditions of Enrollment form/Start Up Companies/PEO Spin-Off Groups form must be completed with date of contract cancellation, and group must provide first 30 days complete payroll records for all employees within 45 days of the effective date

#### Blue Shield

- Groups currently with a PEO that offers health coverage through the PEO to any members are not eligible for coverage
- Small employer groups that have recently canceled their contract with a PEO may be written on guarantee issue basis if they can provide a payroll register from the PEO company that separates the formerly leased employees by business location, and a copy of the letter sent from the PEO to the client business verifying the cancellation of the leasing arrangement

## Underwriting Guidelines

### PEO Guidelines:

#### CaliforniaChoice

- A PEO sub-group must qualify and enroll on a stand-alone basis, completely separate from the PEO
- The sub-group cannot enroll employees of the PEO
- The sub-group's home office must be located in California
- The street address provided on the Employer Application must be the sub-group's physical location
- The Statement of Compliance portion of the employer application must be signed by an authorized representative of the sub-group, not a PEO representative
- PEO sub-group letter required
- In lieu of a DE9C, the group must submit a payroll ledger for the most current 3 months to include sub-group company name, payroll period, employee names, social security numbers, wages, withholdings and summary totals
- Most recent PEO invoice required to match the payroll salary information
- The PEO may request to receive the monthly invoice, administrative packet, and other CalChoice mailings by indicating the PEO address as the mailing address on the employer application
- The PEO may request to be the sub-group's designated contact by indicating a PEO representative as the contact person on the employer application

#### Covered California for Small Business

- PEO sub-groups are eligible to enroll in CCSB
- Most recent PEO payroll invoice will be accepted in lieu of a DE9C or payroll records

#### Health Net

- Standard guidelines apply for group coming from or currently in a PEO relationship
- The group must demonstrate it has the right to direct the work of its employees, as well as the right to make personnel decisions, such as hiring and firing
- Group does not have to terminate their PEO contract
- The quarterly wage report and/or payroll must demonstrate that the group meets the definition of a small employer and that the employees are eligible for coverage
- If the PEO does not prepare a quarterly wage report for each employer, payroll from the PEO may be substituted

#### Sharp

- Client must terminate the relationship with the PEO
- The group must have been actively engaged in business for a minimum of 45 days prior to the requested effective date, employing at least 1, but not more than 100, permanent, active, full-time employees
- The hire dates of the "leased" employees are considered the date in which the employees became W4 with the employer group (i.e. the termination date of the PEO relationship)
- Provide the cancellation letter sent to the leasing company
- Payroll register from the prior PEO can be submitted, provided the group can submit their own payroll register within 45 days after the effective date

## Underwriting Guidelines

### PEO Guidelines:

#### UnitedHealthcare

UHC will write a group that has terminated its relationship with a PEO. The employer group must meet the definition of an AB 1672/SB 125 employer and must have maintained 1–100 employees for 50 percent of the previous calendar quarter or 50 percent of the previous calendar year in order to be considered guaranteed issue.

- A copy of the prior carrier bill from the PEO with the employee census confirming prior coverage is required
- A copy of the contract termination letter sent from the PEO to the client business generated by the PEO confirming the cancelation of the leasing arrangement and the cancelation date is required
- At least 2 weeks of payroll from a legitimate payroll company for the employer group is required and must be issued in the name and tax ID # of the individual employer group and not the PEO's
- If DE9C or 2 weeks of payroll in the employer group name is unavailable, then a copy of 6 weeks of charge back invoices from the PEO are required with a letter from the company owner/officer stating the company has canceled its contract with the PEO and what date that was effective. Coverage will be contingent in this case upon providing 30 days of payroll within 45 days of the effective date
- The employer group must have offered health insurance to the employees previously through the PEO
- UHC will not consider the employer group eligible until the employer can meet the definition of a small group employer by satisfying the previous calendar quarter/year test

UHC will offer coverage to a group that uses the services of a PEO for payroll purposes only as long as the PEO does not act as a co-employer. UHC will offer coverage to the small group client company without requiring the employer to terminate their PEO contract

- In this case, UHC will only enter into a contract with the client company (the employer group) of the PEO
- The client company must meet the definition of a 1 to 100 small employer
- Only an officer of the client company may enter into and sign the insurance contract; it cannot be signed by the PEO and/or PEO co-employer
- UHC must be the sole provider of health insurance
- If the employer group currently has UHC coverage sponsored through the PEO that is covered as a current active UHC mid-market group, then they will not be considered eligible for coverage as a separate small employer unless they terminate their PEO relationship
- To qualify on a guaranteed issue basis, the group must meet the criteria for a small employer showing that they have maintained 1 to 100 W-2 employees (cannot be an owner or an owner's spouse or domestic partner) for 50% of the previous calendar quarter or 50% of the previous calendar year

## Underwriting Guidelines

### Rating Areas:

#### **Aetna**

- Rates are based on the employer's zip code

#### **Anthem Blue Cross**

- Rates are based on the employer's zip code

#### **Blue Shield**

- Rates are based on the employer's zip code

#### **CaliforniaChoice**

- Rates are based on the employer's zip code

#### **Covered California for Small Business**

- Rates are based on the employer's zip code

#### **Health Net**

- Rates are based on the employer's zip code

#### **MediExcel**

- Rates are based on the employer's zip code

#### **Sharp**

- Rates are based on the employer's zip code

#### **UnitedHealthcare**

- Rates are based on the employer's zip code

## Underwriting Guidelines

### Spin Off Rules:

**This is a new group where the majority of the employees have left an established business and formed a new company on their own.**

#### **Aetna**

- Aetna will write groups spinning off from a current Aetna group as long as the spinoff company is a newly formed business with the following documents: a letter from the group or broker that states they are spinning off of a current Aetna group (the letter must state the name of the company they are coming from), ownership documents showing the spinoff company is a newly formed separate entity, two weeks of payroll (or more if available), and regular enrollment
- If the group is not coming from a current Aetna group, then they would be treated as a start-up group

#### **Anthem Blue Cross**

- Anthem Blue Cross will treat a group spinning off from an in force group as new business and a start-up company if there is a broker change or GA change for the new group, Regular start-up guidelines would apply in this case
- If the split off company maintains the same Anthem benefits and employees covered prior to the split, then Anthem will require a letter on letterhead from the group requesting the change, the most current DE9C from the original company indicating the status of each employee who is going where, a minimum of 2 weeks of payroll on any employee not on the DE9C, change of coverage applications for the employees enrolling with the new entity, a check and a new master
- Anyone still in their waiting period at the time of the split will still have to wait the group's waiting period to enroll
- If the company adds new employees hired as a result of the split or requests an upgrade in benefits, all of the above will be required in addition to regular applications for any new employees enrolling or declining coverage

#### **Blue Shield**

- Blue Shield will write a spin off group if they are spinning off of an in force Blue Shield group and complete all regular enrollment material (including proper ownership documents)
- At least 50% of the employees in the spin off group must have been enrolled in Blue Shield through the former business to be considered a spin off
- The new group does not have shared ownership with the business it has separated from
- A copy of the most recent payroll register is required. If no payroll register is available, a W-4 form for all employees will be initially required, with subsequent submission of the first complete payroll register within 30 days of the group's
- If spinning off of a non-Blue Shield group, then they will be handled the same as any other start up group and regular underwriting rules apply

## Underwriting Guidelines

### Spin Off Rules:

**This is a new group where the majority of the employees have left an established business and formed a new company on their own.**

#### CaliforniaChoice

- CaliforniaChoice will take a group splitting off from another employer group. The amount of payroll required depends on the number enrolled. 1 week of payroll from the new or split off company with the balance of a full month of payroll due within 30 days of the effective date of coverage is required for groups enrolling 5 or more (when at least 3 are common law employees), 6 weeks of payroll required for groups enrolling less than 5.
- Payroll must include the employee names, social security numbers, wages, wage withholdings, wage summary totals and pay period and run dates
- Explanation from the Employer with a description of the split-off scenario to include the official date of the group's split off required

#### Covered California for Small Business

- Group must have 30 days of company specific payroll to apply

#### Health Net

- Health Net will consider a spin off group on a guarantee issue basis if the group can provide a prior carrier bill identifying all employees to be covered (or ID cards for each person), a minimum of 2 weeks payroll (if more than 2 weeks available, then provide up to 6 weeks), ownership documents showing the company is a newly formed separate entity, and a letter from the group or broker that the group is enrolling a spin off from another group
- If the group did not have coverage under the previous business entity, or if the majority of those enrolling were not employed by or did not have coverage through the previous business entity, the group will not be considered for coverage

#### MediExcel

- Spin-off's will be treated as a start up group and standard underwriting rules will apply.

#### Sharp

- Standard underwriting rules that apply for startup groups also apply for spin off groups

#### UnitedHealthcare

- UHC will write a group that is spinning off from a current UHC group without requiring them to be in business 50% of the prior calendar quarter if they complete the regular enrollment documentation, send a letter from the group that explains the request (spinning off) and effective date, and provide the ownership documents on the new company
- Current DE9C, current two weeks or quarterly payroll report required
- All spinoff groups, including the spinoff group as well as the group it is spinning off from, must be reviewed and approved by Underwriting. This may result in adjustments to rates and/or bill type
- If a group is not spinning off from a current UHC group, then UHC will not write them until they can satisfy the regular ACA requirement for length of time in business prior to the requested effective date

## Underwriting Guidelines

### Spouse Rules:

#### **Aetna**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children
- If spouses working for the same employer enroll with one electing to be covered as the dependent of the other, Aetna no longer requires that spouse enrolling as a dependent to complete a waiver as an employee
- Group cannot be comprised of only a husband and wife though; must have 1 other W-2 employee

#### **Anthem Blue Cross**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children
- Group cannot be comprised of only a husband and wife though; must have 1 other W-2 employee

#### **Blue Shield**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children
- Group cannot be comprised of only a husband and wife though; must have 1 other W-2 employee
- If spouses working for the same employer enroll with one electing to be covered as the dependent of the other, Blue Shield does not require that spouse enrolling as a dependent to complete a waiver as an employee

#### **CaliforniaChoice**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children
- Group cannot be comprised of only a husband and wife though; must have 1 other W-2 employee
- If enrolling separately, two applications are required. Spousal waivers are not required when enrolling separately.
- If enrolling together, a waiver form will not be required for the employee enrolling as a dependent and group participation will not be affected. A separate application will be required for Life coverage, if offered.

#### **Covered California for Small Business**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children
- Group cannot be comprised of only a husband and wife though; must have 1 other W-2 employee

#### **Health Net**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children
- Group cannot be comprised of only a husband and wife though; must have 1 other W-2 employee

#### **MediExcel**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children

#### **Sharp**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children
- Group cannot be comprised of only a husband and wife though; must have 1 other W-2 employee

#### **UnitedHealthcare**

- Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children
- The spouse waiving coverage for him or herself is considered to be a in-valid waiver
- Group cannot be comprised of only a husband and wife though; must have 1 other W-2 employee

## Underwriting Guidelines

### Start Up Groups:

#### Aetna

- A newly formed group (in operation less than 3 months) may be written if they employ at least 1 eligible W-2 employee who is not the proprietor or spouse of the proprietor but not more than 100 eligible employees
- Groups with no existing health coverage must provide a copy of the most recently filed DE 9C
- Groups with 1 to 19 enrolled employees (with or without existing health coverage) must submit a copy of the most recently filed DE 9C (Quarterly Wage and Tax Statement)
- If a DE 9C is not available, two consecutive weeks of payroll records, which include, for every eligible employee enrolling, taxes withheld, check number and wages earned or other evidence of employment of at least one eligible employee
- No internal payroll (including Quickbooks) or handwritten payroll will be acceptable, and Aetna will not accept copies of pay stubs either

#### Anthem Blue Cross

- A start up group can be considered for small group coverage and will need to meet Eligibility Group Requirements, sign the Conditions of Enrollment for Start Up Companies form and provide the 1st 30 days of payroll records for all employees within 45 days of the effective date of coverage

#### Blue Shield

- Blue Shield will consider start-up groups that meet all eligibility requirements except the length of time the group has had at least one eligible common-law employee
- The Group must have been in business and have employed at least one common-law employee for a minimum of four weeks preceding the effective date and they must provide payroll register for each pay period covered for four weeks preceding the effective date. Note, individual payroll or pay stubs, estimated payroll, payroll summaries and handwritten journals are not acceptable
- Blue Shield will consider start-up groups that have had at least one eligible common-law employee for less than four weeks if at least five employees are enrolling and the business has employed an eligible common-law employee for at least one pay period. Evidence of time in business and eligibility must be supported by payroll records. The payroll records for the most recent pay period for the eligible employees are required

#### CaliforniaChoice

- Group must have been actively engaged in business for a minimum of 6 weeks prior to the requested effective date
- For groups of 5+ enrolling where a majority of those enrolling are W-2 employees and not owners, a minimum of 1 week of payroll from the start date of business to current, whichever is greater, is required for approval with the balance of a full month of payroll due within 30 days of the effective date
- For groups enrolling fewer than 5 employees, 6 weeks of payroll must be provided for at least 1 common-law employee and at least 1 week of payroll required for other employees
- All employees must appear on payroll prior to the group approval
- If more than 50% of the enrollment consists of owners not on payroll, then owner documentation will be required on all owners regardless of group size and group must have 6 weeks of payroll on at least 1 common law employee

#### Covered California for Small Business

- Group must have 30 days of company specific payroll to apply

## Underwriting Guidelines

### Start Up Groups:

#### Health Net

- For groups enrolling 5 or fewer employees, they must satisfy the standard guideline and show they have had a minimum of 1 W-2 employee for 50% of the prior calendar quarter who is not an owner or a spouse or domestic partner of the owner to qualify for coverage
- For a group enrolling 6 or more employees, they may qualify for guarantee issue coverage with 4 full weeks of payroll on all employees enrolling prior to the effective date of coverage

#### MediExcel

- Start-up groups are required to provide one month's worth of payroll records / paycheck stubs for eligible employees as well as other applicable documents for the corporation (depending on their filing status)
- Payroll records/Paycheck stubs must include: Business name, dates of pay period, employee names, wages paid, withholdings and grand totals

#### Sharp

- Startup companies require a minimum of 2 weeks of payroll provided within 45 days of effective date, and must have been in operation for 45 days for guarantee issue coverage
- Additional information may be required

#### UnitedHealthcare

- UnitedHealthcare will consider start-up groups that have been in business for at least two weeks with payroll
- The payroll records must cover the two weeks preceding the requested effective date for at least one eligible employee. Acceptable payroll must include company name, start and end dates of pay period, employee names, wages paid, withholdings and grand totals
- The payroll submitted must be copies of each payroll register for each pay period covered. Individual payroll/pay stubs, estimated payroll, payroll summaries or handwritten journals are not acceptable

## Underwriting Guidelines

### 1099 Workers:

#### **Aetna**

- Not Eligible

#### **Anthem Blue Cross**

- Not Eligible

#### **Blue Shield**

- Not Eligible

#### **CaliforniaChoice**

- Not Eligible

#### **Covered California for Small Business**

- Not Eligible

#### **Health Net**

- Not Eligible

#### **MediExcel**

- 1099 workers are eligible and must be able to provide proof of the following:
  - 1) 2 months worth of 1099 payroll records
  - 2) Monthly 1099 income must be greater than \$500
  - 3) 1099 cannot be the only employee working at the company
  - 4) A letter from the employer requesting coverage of 1099 employees
  - 5) A completed 1099 Contractors Verification form may be requested

#### **Sharp**

- Sharp will allow 1099 employees to enroll under the following guidelines: 1099 employee must appear on the prior carrier's bill. No more than 25% of the group may be 1099 employees. Form 1040 Schedule C and Form 1099-Miscellaneous for the prior year required
- The 1099 Contractors Verification Form must be completed and submitted with a letter from the employer requesting to cover 1099 employees

#### **UnitedHealthcare**

- UHC will consider 1099 employees to be eligible for coverage. the employer must complete a UnitedHealthcare 1099 Form and provide the IRS 1099 Tax Form for each 1099 employee. Employers may elect to offer coverage to independent contractors (1099 employees) if the following conditions are met:
  - The business has at least one regular, taxed employee, or owner who is eligible for coverage. Tax documentation must be submitted for the owner/employee to prove eligibility based on the Type of Company.
  - The independent contractor paid by 1099 must work for the company on a full-time, year-round basis
  - The 1099 contractor must meet the employer-designated, full- time hour minimum
  - Employer must contribute the same amount toward the 1099's coverage, apply same waiting period as regular taxed employees and offer coverage to all 1099s in the group
  - The Independent Contractor Form must list all 1099 employees. There are no maximum number of 1099 employees that may enroll

## Underwriting Guidelines

### Waivers:

#### **Aetna**

- Valid waivers include other group sponsored coverage through another employer, Medicare, Medi-Cal, Champus and
- Individual coverage on or off the exchange will not be considered a valid waiver

#### **Anthem Blue Cross**

- Valid waivers include other group sponsored coverage through another employer, Medicare, Medi-Cal, United States military coverage and individual coverage on and off the exchange

#### **Blue Shield**

- Valid waivers include other group sponsored coverage through another employer, Champus/Tricare, Medicare, Medi-Cal, and individual coverage on and off the exchange

#### **CaliforniaChoice**

- Valid waivers include spousal group coverage, parental group coverage, Medicare, Media-Cal, Campus and TRICARE
- Individual coverage on and off the exchange is not considered a valid waiver and neither is group coverage through the same employer or association plans

#### **Covered California for Small Business**

- Valid waivers include other group sponsored coverage through another employer, Medicare, Medi-Cal, and Tricare
- Individual coverage on and off the exchange is not considered a valid waiver

#### **Health Net**

- Valid waivers include other group sponsored coverage through another employer, Champus/Tricare, VA, Cobra, Medicare, Medi-Cal, Medicaid, active duty military and Individual coverage on or off the Exchange

#### **MediExcel**

- Valid waivers include other group sponsored coverage through another employer, Medicare, Medi-Cal, Champus, Tricare coverage and individual coverage on/off the exchange

#### **Sharp**

- Valid waivers include other group sponsored coverage, Medicare, Medi-Cal, military, and cross-border coverages are valid waivers
- Individual (on-exchange or off exchange) and COBRA coverage are not valid waivers

#### **UnitedHealthcare**

- Valid waivers include other group sponsored coverage through spouse's other employer or a parental group plan, Champus/Tricare, Medicare (part A & B required), individual coverage on and off the exchange (for non-grandfathered plans effective 1/1/14) & no share- of-cost government sponsored plans

## Underwriting Guidelines

### Waiting Periods Available:

#### **Aetna**

- 1st of the policy month following 0, 30 or 60 days
- Policy month refers to the contract effective date of the 1st or the 15th
- Dual waiting periods are not allowed

#### **Anthem Blue Cross**

- 1st of the month following date of hire, 1st of the month following 1 month from date of hire, or 1st of the month following 2 months from date of hire (not to exceed 90 days)
- Dual waiting periods are not allowed

#### **Blue Shield**

- Employer may impose an employment orientation or affiliation period for new employees that cannot exceed 30 days in addition to the following waiting periods: 1st of the month following date of hire, 1st of the month following 30 days from date of hire, 1st of the month following 60 days from date of hire, or effective on the 91st day following date of hire
- Dual waiting periods as long as all employees with in the same class have the same WP (employer letter included with submission)

#### **CaliforniaChoice**

- 1st of the month following date of hire, 30 days or 60 days (not to exceed 90 days)
- Dual waiting periods are not allowed

#### **Covered California for Small Business**

- The employer shall determine the waiting period for new hires, rehires and other eligible employees

#### **Health Net**

- 1st of the month following date of hire, 1 month, 30 days or 60 days
- Dual waiting periods are not allowed

#### **MediExcel**

- Any ACA/State compliant period is acceptable. Coverage begins on first day of the month (for example 1st of the month following date of hire, 1 month, 30 days or 60 days)

#### **Sharp**

- The employer must choose awaiting period of up to 90 days for all future employees, rehires and other eligible employees which cannot exceed the waiting period permitted by applicable state/federal laws (90 days)

#### **UnitedHealthcare**

- 1st of the month following date of hire, 1 month or 30 days, or 2 months or 60 days (not to exceed 90 days)

## Underwriting Guidelines

### Wrap Requirements with Other Carriers:

#### **Aetna**

- Aetna will stand alongside another carrier's HMO plan as long as Aetna enrolls at least 40% of the eligible employees and a minimum of 5 California employees enrolling in an Aetna plan
- When wrapping with Kaiser, a waiver form will need to be completed by each person enrolled with Kaiser (Kaiser billing statement alone will not be acceptable)
- Employees covered by the same employer on another group policy are not considered valid waivers

#### **Anthem Blue Cross**

- Anthem Blue Cross does not have special rules for writing alongside another carrier, regular, standard participation guidelines apply
- Employees covered by the same employer on another group policy are not considered valid waivers

#### **Blue Shield**

- Only the Off Exchange Package for Small Business may be offered with another carrier's HMO, or MediExcel and another carrier's HMO with a minimum enrollment in the Blue shield plans of 5 enrolled employees or 50% of the group's total employees whichever is greater (65% overall participation required between all carriers)
- The Mirror Package cannot be offered alongside another carrier's HMO plan
- If alongside another carrier, the other carrier bill or enrollment form is allowed in lieu of BSC waivers or can provide BSC waivers

#### **CaliforniaChoice**

- CaliforniaChoice cannot be offered alongside another carrier

#### **Covered California for Small Business**

- CCSB may be offered alongside another carrier as long as CCSB enrolls at least 70% of the eligible employees

#### **Health Net**

- Health Net is not required to be the sole carrier as long as regular participation guidelines are met
- For groups of 1 to 5 eligible employees, a minimum 66% participation is required
- For groups of 6 to 100 employees, a minimum of 50% participation is required

#### **MediExcel**

- MediExcel will stand alongside another other carrier and will write down to 1 enrolled

## Underwriting Guidelines

### Wrap Requirements with Other Carriers:

#### Sharp

- Minimum of 5 employees enrolled with Sharp
- 1-5 employees enrolled = 2 plans and 1 network
- 6+ employees enrolled = 6 plans and 2 networks
- Sharp Health Plan PPO partnership product is not available alongside another carrier
- Sharp will not wrap alongside a private or public exchange
- A copy of the other carrier's billing statement will be required for any employees not enrolling with Sharp
- If a billing statement is not yet available from the other carrier, then the employees on the DE6 not enrolling with Sharp should be marked as enrolling in the other carrier's plan

#### UnitedHealthcare

- Groups offering the UHC Choice Simplified Package and a staff model HMO must have at least 60% participation between the two carriers with 5 California employees enrolling with UHC excluding Cobra participants
- Groups offering the UHC Multi-choice State Package and a staff model HMO must have at least 60% participation with UHC excluding COBRA participants
- If alongside another carrier, the other carrier bill or enrollment form is allowed in lieu of UHC waivers or can provide UHC waivers
- May write alongside 2 other carriers: must be a staff-model carrier. Eligible staff model carriers include Chinese Community Health Plan, Kaiser, MediExcel, Sharp, SIMNSA, Sutter and Western Health Advantage. May not write alongside California Choice or Covered California.