



**Small Group (Less than 101 Full-Time Equivalent Employees) HMO Underwriting Matrix**  
Effective 3/1/2017

BUSINESS LICENSURE	INELIGIBLE CATEGORIES	DE-9C REQUIRED	SEPARATE COMPANIES - COMMON OWNERSHIP	START UP COMPANIES	CARVE-OUT	NETWORK / SERVICE AREA
Business licensure and/or appropriate state filings allowing company to conduct business in California.	Associations, multiple employer trusts, union trusts, Taft-Hartley plans, hour bank groups, and private households are ineligible for coverage.	Yes. If owners are not on DE-9C, a submission of pertinent legal documentation may be requested. Documentation is subject to underwriting review. Additional information may be required.	Groups must have only one DE-9C or provide proof of eligibility to file taxes jointly. Additional documentation may be required.	Must be actively engaged in business.	Class carve-outs must be underwritten by plan, and accepted upon review. Requires minimum of 5 enrolled and 100% participation.	Choice and Value: San Diego and Southern Riverside Counties service area.  Performance and Premier: Group must be headquartered within San Diego County zip codes.  Southern Riverside groups must take the Choice network and always have the option of also taking the Value network.

EMPLOYEE / EMPLOYER RELATIONSHIP	FULL TIME MINIMUM NUMBER OF HOURS	1099 EMPLOYEES	SPOUSE ON DE-9C. ENROLL AS EMPLOYEE OR DEPENDENT	DEPENDENT COVERAGE AND DOMESTIC PARTNERS	INELIGIBLE EMPLOYEES	LATE ENROLLEES
Employee/employer relationship must exist. Employer must provide all documents required to establish such relationship. A group's eligible employees cannot be comprised of only owners and their spouses. All groups with less than 5 subscribers must submit a stamped and filed Statement of Information (SOI) or a complete current tax filing.	30 hours. Group can opt to cover PT employees working 20-29 hours a week as defined under California Health & Safety Code Section 1357 (SB 1790).	Yes. 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 may be requested. A letter from the employer requesting coverage of 1099 employees may be requested. A completed 1099 Contractors Verification Form may be requested.	Can be enrolled either as an employee or as a dependent. Husband/wife-only groups are not eligible for group coverage.	Dependent coverage: To age 26. Domestic partner coverage: Yes.	Retirees, part time (unless SB 1790 eligible), domestic help, leased employees or employees part of a co-employment PEO relationship.	Only open enrollment

WAITING PERIOD	WORKERS COMPENSATION	STALE DATED APPLICATIONS	MULTIPLE PLAN OPTIONS	WRAP WITH ANOTHER CARRIER	INDUSTRY USED IN UNDERWRITING	RAF (APPLICABLE TO GRANDFATHERED GROUPS ONLY)
The employer must choose a waiting period of up to 90 days for all future employees. A different waiting period may be selected for rehired employees, but it must not exceed 90 days.	Required for all eligible employees as required by law.	Applications must be signed within 60 days of requested effective date.	Minimum of 6 enrolled. Dual plan and network options are available. 6 plans / 2 networks maximum (6 plans can be offered on each network).	Yes. We will not wrap with California Choice. 6+ enrolled or 50% (whichever is greater). Multiple HMO plans allowed maximum 6 plans / 1 network.  Sharp Health Plan PPO partnership product is not available alongside another carrier.	No.	2-5 Subscribers: 1.10 6+ Subscribers: 0.90 - 1.10  Special rules may apply if a RAF promotion is offered.

COMPOSITE RATES	HMO-PPO	CONTRIBUTION	PARTICIPATION	VALID WAIVERS	INVALID WAIVERS	LIMITED OPEN ENROLLMENT PERIOD
Composite rates are not permitted.	10/15% rule: At least 10 active enrolled subscribers with 15% maximum participation on the Sharp Health Plan PPO partnership product (in & out of service area), rounded up. For example, a group of 10 subscribers could have 2 PPO subscribers (10*15%=1.5, or 2 rounded up). 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.	Employer must contribute a minimum of 50% of the employee only premium. Defined contribution is allowed at a minimum of \$100 per employee.  <i>For groups that don't meet this criteria, see the Limited Open Enrollment Period section.</i>	HMO: Minimum of 70% participation, excluding any valid waivers.  HMO/PPO: see HMO-PPO section.  <i>For groups that don't meet this criteria, see the Limited Open Enrollment Period section.</i>	Spousal, Medicare, Medi-Cal, military, other employer sponsored, and cross-border coverages are valid waivers.	Individual (on-exchange or off-exchange) and COBRA coverage are not valid waivers.	Groups that fail to meet Sharp Health Plan's minimum participation or contribution requirements (as noted in the Participation and Contribution sections of this document), but that satisfy the remaining eligibility criteria will be permitted to elect coverage during a limited open enrollment period from November 15th through December 15th of each year. Wrap with another carrier is not permitted.