



# Covered California for Small Business (CCSB) Enrollment & Eligibility Guide

Topic	Guideline
<b>Employer Eligibility</b>	
<b>Carve-Outs</b>	Carve-Outs are not allowed. Union employees are not eligible unless their benefits are not subject to collective bargaining through the union
<b>Change in Ownership Prior to Renewal of In Force Group</b>	If an Employer Group is sold prior to the end of the plan year, the new owner may make changes to business name, FEIN, address, etc. Any material changes (change in plans, coverage level, etc.) cannot be made until the group renews unless the new owner terminates current plan and submits documents to reapply as a new group.
<b>Changes After Effectuation</b>	Within the first 30 days, the Group may make changes within tiers while remaining with the same Carrier.
<b>COBRA Administration</b>	Covered California CCSB administers Cal-COBRA for groups with 1-19 employees. Employers with 20 or more employees do not qualify for Cal-COBRA and are responsible for administering Federal COBRA.
<b>Composite Rating</b>	Composite rates are not available for CCSB plans.
<b>Contribution Requirements</b>	To participate in CCSB, employers must contribute a minimum of 50 percent of the lowest cost employee-only premium in their selected metal tier(s)(Platinum, Gold, Silver or Bronze). This requirement is not enforced during the special annual enrollment period from November 15 <sup>th</sup> – December 15 <sup>th</sup> each year.
<b>Domestic Staff Coverage</b>	Employers wishing to cover their domestic staff must provide a DE-9C (or 1 month of payroll if business is less than 3 months old) and must meet all applicable eligibility guidelines.
<b>Effective Dates</b>	Effective dates for coverage are the 1st of each month.
<b>Eligible Employees</b>	Eligible employees include: <ul style="list-style-type: none"> <li>• Full-time permanent employees (average of 30 hours a week measured over the course of a month)</li> <li>• Part-time employees (part-time employees who work 20-29 hours per week and coverage offered to part-time employees at owner's discretion)</li> </ul>
<b>Employee Only Coverage</b>	Employers can apply for employee only coverage. Dependent coverage is optional. However, under the Affordable Care Act's employer shared responsibility provisions, certain employers (called applicable large employers or ALEs) must either offer minimum essential coverage that is "affordable" and that provides "minimum value" to their full-time employees (and their child dependents - spouse coverage is not mandated), or potentially make an employer shared responsibility payment to the IRS. The employer shared responsibility provisions are sometimes referred to as "the employer mandate" or "the pay or play provisions."
<b>Employee Premium Rates and Location</b>	Employee premium rates are based on employer zip code and not on the employee's residential zip code.
<b>Employer address changes and OE or SEP</b>	<ol style="list-style-type: none"> <li>1. An address change that results in a rating region change takes effect at the next renewal, not at the date of the address change.</li> <li>2. A change in the physical address for an employer may or may not trigger a new enrollment period for employees as follows: <ul style="list-style-type: none"> <li>- Employer chooses not to start a new plan year based upon the move and therefore not re-write their policy with CCSB (no OE). Available plans must still be based upon their old address. Employees who move with the employer so that they no longer live or work in the service area of their previously chosen plan would be offered a SEP to select a plan that is available to them at their new location but based upon the employer's old address (e.g. PPO).</li> <li>- Employer chooses to re-write their policy with CCSB based upon their new address. A brand new open enrollment period (OE) would be allowed if the employer requested it, as a legitimate business reason, if the employer moved to a new location and employees move with them. A new plan year would begin in this instance and rates would reflect those in place as of the date of the new plan year.</li> <li>- No new enrollment period (no SEP or OE) would be triggered if the location change for the employer did not result in the relocation of any employees.</li> </ul> </li> </ol>
<b>Group Size</b>	Employers are eligible to purchase coverage for their employees and dependents in CCSB if they have 1 to 100 full-time equivalent employees. An eligible employee is one who works an average of 30 hours per week or 120 hours per month based on a month of work. An employer can
<b>Groups That Grow Over 100</b>	A small business that is enrolled in CCSB and grows to exceed 100 full-time equivalent employees will be allowed to renew their coverage as long as the employer continues to meet CCSB contribution and participation requirements. Groups with more than 100 full-time equivalent employees may enroll with CCSB if they were under 100 FTEs during the counting period.
<b>Guaranteed Issue</b>	Employers and their employees who are eligible for CCSB are guaranteed coverage.
<b>Health Reimbursement Arrangements or Other Employer Funded Arrangements</b>	HRAs and other employer funding arrangements for employee cost share is subject to carrier requirements as stated in their specific Group Service Agreements (GSAs) for CCSB policies.
<b>Husband and Wife Only Groups</b>	Husband and wife only groups are not eligible for coverage. An employer must have one common law employee (which cannot be a spouse) that works at least 30 hours a week. ERISA excludes husband and wife as eligible employees, if they are the only employees.
<b>Minimum Group Size</b>	Minimum group size is 1 Full Time Equivalent (FTE). An eligible group is one that has 1-100 FTEs. Husbands and wives do not count as FTEs for the purposes of determining group size. The only way a husband and wife group could be eligible is if the required common-law employee works a FTE, or a minimum of 30 hours per week on average. Otherwise they would have less than 1 FTE.
<b>New Business Materials Submission Deadline</b>	The submission deadline is 5 business days prior to the requested effective date.
<b>New Businesses</b>	New businesses that are applying for CCSB must adhere to the requirements specific to their business type per Step 1 of the Employer Application.
<b>Owner/Partnership Eligibility</b>	Owners/Officers are eligible and do not need to be on payroll to qualify for CCSB. However, employers must provide appropriate documentation for owners/officers to verify eligibility and must have at least (1) common law employee other than the Owner/Officer. <i>This requirement also applies to nonprofit organizations. Please refer to Step 1 of the Employer Application for instructions.</i>
<b>Participation Requirements</b>	A minimum of 70 percent of eligible employees must participate (Groups with 1-3 eligible employees must meet 100 percent participation). With the exception for the Annual Special Election Period (Nov. 15th - Dec. 15th).
<b>Percentage of COBRA Participants Allowed</b>	There is no maximum percentage of COBRA or Cal-COBRA participants an enrolling employer group may have.
<b>Placing Business with CCSB and Another Carrier</b>	Allowed as long as 70% of eligible employees are enrolled with CCSB, except if the enrollment occurs during the special annual enrollment period, Nov 15 - Dec 15, which allows employers who do not meet participation and/or contribution requirements to enroll anyway.
<b>Plans for Out of State Dependents</b>	Dependents who reside out of state are eligible for emergency coverage only, unless on an eligible PPO plan. Certain PPO plans offer in-network coverage outside of California.
<b>Rate Guarantee</b>	Rates for CCSB plans are guaranteed for 12 months from effective date.

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<b>Reapplying for Coverage After Notice of Coverage Cancellation</b>	Employers may reapply after coverage cancellation for either voluntary termination or for involuntary termination due to non-payment of premium. Employers must re-apply to CCSB as a new group. Outstanding balances must be remitted prior to issuance of new coverage.
<b>Special Annual Enrollment Period</b>	The special annual enrollment period for employers is Nov. 15th through Dec. 15th for a 1/1 effective date. Groups not meeting participation or contribution requirements are allowed to enroll in CCSB during this special enrollment period every year. Groups must meet all other requirements.
<b>Statement of Information</b>	Statement of Information is required to be submitted with the CCSB Employer Application but does not need to be stamped. New employers that have been in business less than 30 days should refer to Step 1 of the Employer Application for submitting alternate documentation. Partnerships and sole proprietorships are excluded from this requirement.
<b>Two-Life Groups with One Eligible Waiver</b>	Two-life groups with one eligible waiver are eligible for CCSB coverage. An employer must have one common law employee (which cannot be a spouse) that works at least 30 hours a week.
<b>Waiting Periods</b>	Waiting periods are determined by the employer and must comply with applicable state law, California Insurance Code and The California Health and Safety Code. Note that there may be a future change to the Federal rules that will require CCSB to monitor employer waiting periods for adherence.
<b>Waiving Waiting Periods</b>	At the employer's discretion, waiting periods can be waived <i>only at initial enrollment</i> for new hires.
<b>Employee Eligibility</b>	
<b>Dependent Children Age Max</b>	Dependent children are eligible for medical coverage up to age 26. Notice of termination for child dependents who turn 26 is provided 90 days prior to the last day of coverage. Termination is effective the 1st day of the month following their 26th birthday.
<b>Eligible Dependent(s)</b>	Employers that wish to offer dependent coverage may do so for the following qualified dependent(s): <ul style="list-style-type: none"> <li>• Spouse</li> <li>• Registered Domestic Partner</li> <li>• Non-registered Domestic Partner</li> <li>• Children (including adopted children, foster children, or those under legal guardianship)</li> <li>• Disabled Adult Children</li> </ul> Under the Affordable Care Act's employer shared responsibility provisions, certain employers (called applicable large employers or ALEs) must either offer minimum essential coverage that is "affordable" and that provides "minimum value" to their full-time employees (and their child dependents - spouse coverage is not mandated), or potentially make an employer shared responsibility payment to the IRS. The employer shared responsibility provisions are sometimes referred to as "the employer mandate" or "the pay or play provisions."
<b>Eligible Employee</b>	An eligible employee is one who works an average of 30 hours per week based on a month of work. An employer can decide to offer coverage to part-time employees who work between 20 and 29 hours per week.
<b>Families that Work for the Same Company</b>	Family members that work for the same employer may enroll as a subscriber with dependents or separately, at their discretion. All eligibility requirements still apply.
<b>Ineligible Employees</b>	Employees that are not eligible for coverage in CCSB include: <ul style="list-style-type: none"> <li>• 1099 employees</li> <li>• seasonal employees</li> <li>• temporary employees</li> <li>• union employees (subject to collective bargaining)</li> <li>• Medi-Cal member</li> <li>• Part-time with less than 20 hours per week</li> </ul>
<b>Maximum Enrollee Age</b>	There is no maximum enrollee age for a subscriber; however, there is a maximum enrollee age for a dependent child, which is 26.
<b>Medical Group/Independent Physician Association (IPA) Selection by Dependents</b>	Each carrier determines if dependents are allowed to choose a different medical group/IPA than that chosen by the subscriber.
<b>Newborn Policy</b>	A newborn will be covered by the mother's policy for the first 30 days.
<b>Plan Selection Options for Employees and Dependents</b>	Employees and their dependents must be enrolled in the same plan.
<b>Premium Rates - Initial Group Enrollment and Renewal</b>	Employees and their dependents will be rated at the age they are at the time of their initial group enrollment. Rates will not change until the annual group renewal. At renewal, rates will reflect enrollee ages as of the renewal date.
<b>Retiree Coverage</b>	Retiree coverage is not offered.
<b>Professional Employer Organization (PEO)</b>	
<b>PEO Sub-Groups</b>	PEO Sub-groups are eligible to enroll in CCSB. Most recent PEO payroll invoices will be accepted in lieu of DE9-C/payroll records. All other submission requirements apply.
<b>PEO Coverage for Owners and Administrative Staff</b>	PEOs are eligible for CCSB coverage if they meet the definition of qualified small employer.
<b>Billing</b>	
<b>Payment</b>	Initial and ongoing payment must be 85% or greater of the total amount due to CCSB.
<b>Payment Grace Period</b>	Health care premiums are due prior to the month of coverage and must be postmarked by the last day of the invoicing month. If 85% or more of the invoice total amount due is not received by the expiration date of the 30-day Grace Period (see below), employer will be notified that coverage will terminate on the 30th day of grace period. The participating employer is responsible for notifying employees in the event that coverage lapses.  Grace Period A period of 30 days will be allowed for payment of any premium due after the initial premium. If less than 85% of the total amount due is paid within that period, coverage will terminate on the 30th day of the grace period, as per noticed.
<b>Payment Options for Monthly Invoices</b>	Payments can be made via check, cashiers check, or money order and made payable to: Covered CA CCSB or Covered CA for Small Business.  Please send payment to:  Covered California for Small Business PO Box 740167 Los Angeles, CA 90074-0167
<b>Rate Verification</b>	For new group enrollment, the final rates will be reflected on the first payment invoice.

Topic	Guideline
<b>Out of State plans and guidelines</b>	
<b>Percentage of Out of State Employees Allowed</b>	A minimum of one employee must reside in California. If out of state employees are considered eligible, they are included in participation requirements. If not determined eligible by employer, out of state employees are excluded from participation calculation (Groups with 1-3 eligible employees must meet 100 percent participation).
<b>Multi-State Groups</b>	Employer may participate in multiple SHOPS if the employer offers coverage to employees whose primary work site is in the SHOP service area. Employer must submit a completed application and all required documentation required of CA domiciled employers. Plan availability and rates will be tied to the CA worksite address where the majority of that employer's employees work.
<b>Out of State plans</b>	For 2017, Blue Shield PPO (all metal tier) available for out of state employees.
<b>Out of State Rates and Locations</b>	Out of state employee rates and plan availability are based on the employer's principal business address location.
<b>Valid Waiver</b>	
<b>Valid Waiver</b>	<p>Employees hold valid waivers if they have:</p> <ul style="list-style-type: none"> <li>•Coverage by spouse's/domestic partner's group plan</li> <li>•Coverage by Tricare</li> <li>•Coverage by Medicare</li> <li>•Coverage by Medi-Cal</li> <li>•Coverage by other (must provide information)</li> </ul> <p>Employees that waive coverage in CCSB are not eligible for APTC unless CCSB premium/employer contribution does not meet the affordability provision of the ACA. Waiving employees that enroll in individual coverage through the Covered California Individual Marketplace are not considered valid waivers. Valid waivers are not counted toward group participation.</p>
<b>Dental coverage</b>	
<b>Pediatric Dental Age Maximum</b>	Dependent children are eligible for Pediatric Dental coverage up to age 19. Coverage is terminated the 1st of the month following their 19th birthday. If dependent child ages out of Pediatric Dental and loses dental coverage, it will be considered as a qualifying event for the dependent child only to choose a family dental plan.
<b>Pediatric Dental Coverage for Child Dependents</b>	Child dependents (up to the age of 19) can enroll in pediatric dental coverage at the employee's discretion. (Please note that some medical plans have pediatric dental embedded)
<b>Qualifying Event</b>	Losing other dental coverage is a qualifying event to add dental mid-plan year for both the employee and/or dependent.
<b>When Dental can be added</b>	Employees may add dental coverage during their open enrollment period. New hires may include dental in their coverage when they are eligible.