

Small Group Carrier Underwriting Guidelines

Please refer to Advisory Bulletin 10-SEH-04

AmeriHealth

(Guidelines updated July 16, 2010)

Effective September 1, 2010

Scenario 1 – Primary Carrier with 75% or more participation:

- Participation to determine Primary Carrier status will be based on number of employees enrolled in the employer sponsored AmeriHealth plan(s), including spousal waivers, Medicare waiver, etc., but will not include enrollment in other carrier plan offerings by the employer.
- A minimum 75% participation will be based on number of employees enrolled in the employer sponsored AmeriHealth plan(s), including spousal waivers, Medicare waiver, etc.
- Groups will be allowed up to four (4) AmeriHealth plan options, exclusive of “class out” options.
- Plan options cannot differ solely by the Prescription Drug plan design, network, referral option, or out of network benefits.
- The number of plan options must be less than the number of enrolled employees and there cannot be plan options with no enrollment.
- Groups must have at least 2 but less than 51 eligible employees.

Scenario 2 – Secondary Carrier with less than 75% participation:

- Will not issue.

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Aetna

(Guidelines Updated January 1, 2015)

Effective January 1, 2015

Primary Carrier

- A. Aetna would allow customers to purchase up to 3 different plans as long as 1 person in the group enrolls in one of the plans*

- B. If a customer wants to purchase more than 3 plans, Aetna will issue up to 5 plans from a portfolio of specific plans*. (Please contact your Aetna sales representative for information on the available plans.)

* If a customer purchases HSA-compatible qualified high deductible plans, all plans must use the same deductible accumulation methodology – either all calendar year or all plan year.

If necessary to set up a PPO plan to accommodate out-of-state membership, the PPO plan will not count towards the maximum number of plans.

Second Carrier

Aetna will not issue coverage to an employer where another carrier has more than 25% of the group enrolled in their plan. Aetna only intends to issue coverage to an employer if Aetna is the “primary” carrier with 75% or more of the group.

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Cigna

(Guidelines updated July 16, 2010)

Effective September 1, 2010

For small employer groups that offer CIGNA HealthCare coverage to their employees, CIGNA requires that at least 75% of the small employer's eligible employees participate in coverage as a condition of enrollment. When calculating participation, the following types of coverage will be considered valid waivers:

- Spousal/Domestic Partner Coverage under other group health coverage
- Medicare, Medicaid, CHAMPUS or other Federal programs

If an employee waives coverage for any of the reasons listed above, that employee will count toward CIGNA's Small Group Participation requirements.

In all circumstances CIGNA will allow an employer to offer more than one CIGNA plan however CIGNA will not allow an employer to keep a plan open if there is no active membership enrolled on that plan.

CIGNA will not issue coverage to a small New Jersey employer group unless a minimum of 75% of all eligible employees enroll (i.e. secondary carrier is not allowed)."

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Horizon Blue Cross Blue Shield of New Jersey and Horizon Healthcare of New Jersey, Inc. (collectively “**Horizon BCBSNJ**”)

(Guidelines added/updated December 2015)

Effective January 1, 2016

Primary Carrier

Horizon BCBSNJ will only enroll a small employer group if that group places 75% or more of its eligible employees with Horizon BCBSNJ. Participation will be based on all eligible employees enrolled including all valid waivers (i.e., spousal waivers, Medicare, Medicaid, New Jersey FamilyCare, employee covered under another group health benefits plan and TRICARE. Horizon BCBSNJ will permit a small employer group with less than 75% participation to enroll if all of the following conditions are met:

- A small employer maintains the same or a greater level of contribution toward employee coverage for the new plan year as was provided during the current plan year;
- One or more of the employees who were covered under the small employer’s health benefits plan during the current year refuses coverage for the new plan year;
- The employee(s) refusing coverage states that the reason coverage is being refused is because they are securing individual coverage with an Advanced Premium Tax Credit (APTC) under the federal law and they provide evidence of eligibility for such individual coverage and APTC; and
- The small employer fails the 75% participation requirement solely because such employees have refused coverage.

A small employer group may choose up to four (4) health benefit plans from Horizon BCBSNJ. However, the option for the fourth plan is available only if one of the plans is an OMNIA plan.

- Multiple plans are only allowed if at least one employee enrolls in each plan.
- A group may not choose to offer the same health benefits plan option with and without Blue Card.
- Regardless of class carve-outs, the total number of plans will be counted at the group level.
- We will not offer or maintain a plan option that does not have enrollment.

Note: Underwriting rules are subject to change with at least 60 days advance notice.

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Second Carrier

Horizon BCBSNJ will **not** offer coverage as a second carrier.

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Oxford

Effective September 1, 2010

Sole carrier

Participation: 75% net of valid waivers (Medicare, Medicaid and Spousal Coverage) **and** Oxford must be the sole carrier offered.

Class carve-Outs: Allowed only for classes that have no other coverage

Multi-Option: Dual and Triple Option will be allowed.

Form Requirements: Employer Certification and HSA Certificate of Understanding

Tax Documents: WR30 or other standardly accepted forms

Grace Period for Forms: 5 days from pended receipt date

Action if forms not provided as required: Group rejected/terminated

Renewal Requirements

As above with recertification of participation and payroll/tax status and all other requirements met.

Plan reserves the right to audit groups that do not respond to requests for information and to terminate groups either on the basis of audit results or in the event that necessary documentation is not provided on a timely basis.

Grandfathered business will not be required to give up currently in place multiple plan/multiple carrier arrangements until such time as a plan change is requested and approved. The certification/documentation requirements apply to all renewals.