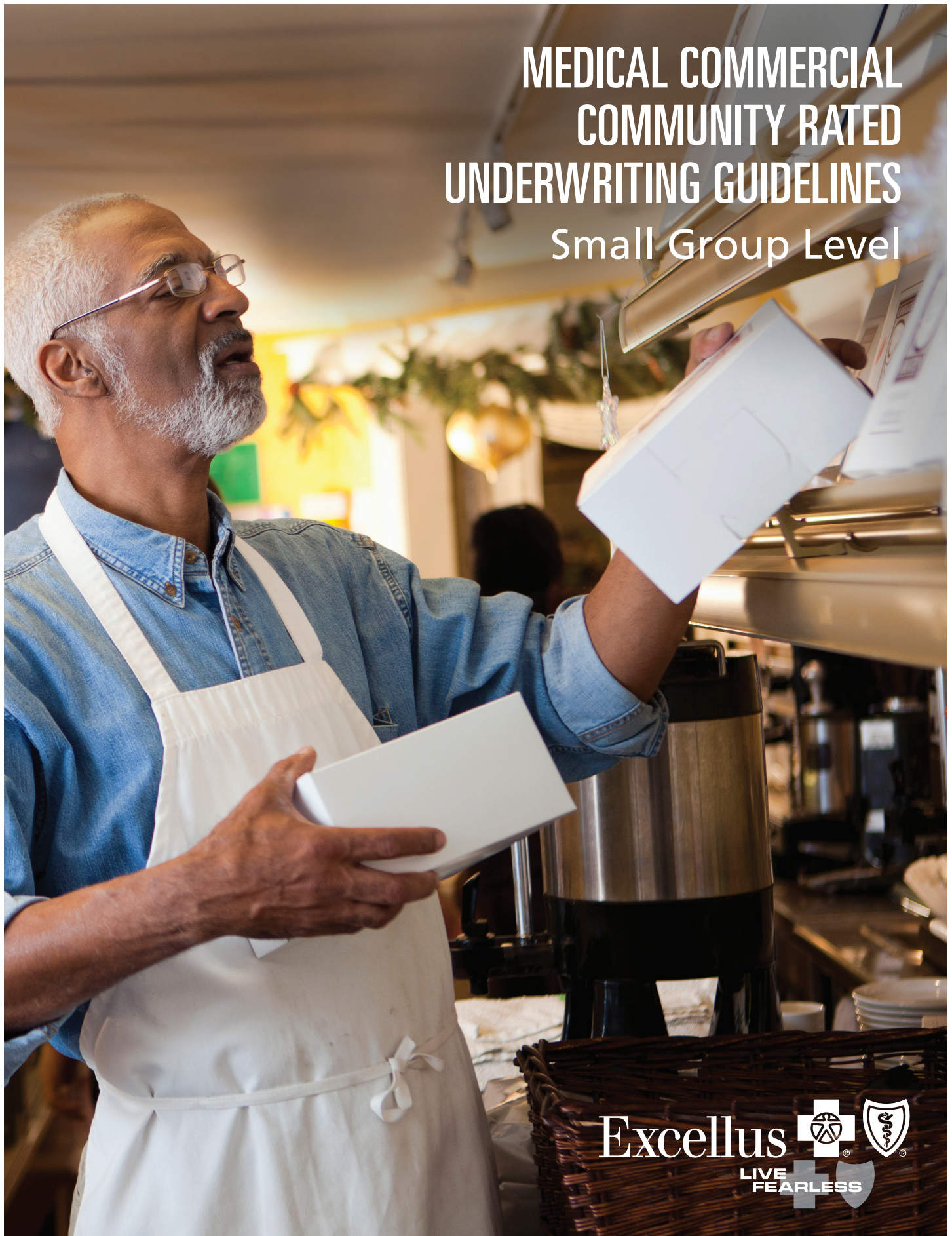


# MEDICAL COMMERCIAL COMMUNITY RATED UNDERWRITING GUIDELINES

## Small Group Level



## Introduction

Commercial health insurance coverage is available to employers, trust and association groups, subscribers and dependents that meet the qualifications specified in applicable state and federal requirements and the underwriting guidelines of Excellus BlueCross BlueShield. Throughout this document, Excellus BlueCross BlueShield will be referred to as the health plan. Outlined below are the basic criteria that the health plan will follow to qualify employers, trust and association groups, employees and dependents for small group commercial coverage.



## Disclaimer

The health plan reserves the right to make exceptions to these guidelines for circumstances where the group/subscriber/dependent does not meet all of the criteria in these guidelines and when the exception will not violate any laws/regulations or harm the community pool.

These guidelines are effective **January 1, 2019**, and replace all previous small group guidelines in use.

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### **I. Group Eligibility**

#### **Eligible Groups:**

A group, or if the group is a trust or association, a member firm participating in the group, is eligible for commercial group coverage if it meets the following criteria and complies with applicable state and federal requirements:

#### **The Group/Trust/PEO: Professional Employer Organization (PEO):**

- Is headquartered in the health plan's service area and the headquartered location is a physical location where business operations take place. Virtual offices and residential addresses are not considered headquartered locations for this purpose.
- In the event that the health plan is insuring only the local employees of a multi-location group, the group must have a physical location in the health plan's service area.
- Is engaged in a legal business or is a government entity with the legal authority to contract.
- Regularly employs persons on an active basis for salaries or wages throughout the year.
- Maintains an employer-employee relationship with its subscribers.
- Files state and federal income taxes as an ongoing commercial enterprise, nonprofit entity, or is validly exempted from filing taxes, or is a government entity.
- Client firms of a Professional Employer Organization (PEO) will not be eligible for coverage directly through Excellus BCBS if the work-site employees are common law employees of the PEO, as evidenced by being reported on the PEO's quarterly wage report.
- In cases where a group has multiple locations in our service area, the rates will be based on the location where the majority of the enrolled employees live, work and reside.

#### **Association Groups:**

The association:

- Must meet criteria listed as "I" above for employer groups/trusts, as well as other criteria specified in applicable state and federal requirements related specifically to associations.
- Member firms must comply with the same underwriting guidelines as groups/trusts enrolled by the health plan

on a direct basis and must comply with applicable state and federal requirements. This includes requiring a member firm's coverage to be community rated if it has 100 or fewer employees.

#### **Ineligible Groups:**

- Groups that do not have common law employees are not eligible groups.
- Groups that consist of only the owner or the owner and his or her spouse are not eligible.

#### **Group Size:**

Small groups are defined as groups between one and 100 full-time equivalent employees in the previous year. Sole proprietors are not considered employees and must purchase individual coverage. Large groups are groups with more than 100 full-time equivalent employees. The number of employees in a group is determined by adding the number of full time employees and the number of full time equivalent employees.

The following general guidelines are applied to determine group size:

- Groups with common ownership/control count as being part of one group.
- Groups with membership inside and outside of the health plan service area will be counted together, even if membership within the service area is minimal.

Group size is determined upon renewal. Fluctuations in group size throughout the year do not affect eligibility. The number of employees in a group is determined by adding the number of full time employees and the number of full time equivalent employees.



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### Group Effective Date:

New groups must provide all required enrollment information to the health plan 30 days in advance of the effective date. Groups making changes to existing coverage must provide all required enrollment information 15 days in advance of the effective date in order to be effective the first day of the following month. New small groups must include payment of the first month's premium, along with all other enrollment materials.

### Group Renewal Date:

Groups renew annually as follows:

- Community-rated groups outside of the New York State of Health Marketplace renew on January 1, unless the product has rolling rates or a level premium.
- A group with rolling rates renews on the first day of the month of the anniversary of its effective date and the benefit plan year coincides with the anniversary date.
- Level premium groups renew throughout the year, based upon a date the group specifies at the time the rate is quoted.

### Guaranteed Availability:

All policies must be guaranteed available to groups year round.

### Guaranteed Renewal:

A covered group or, if the group is a trust or association, a member firm, will be renewed unless terminated due to any of the following occurrences:

- Nonpayment of premium.
- Fraud or misrepresentation of material facts.
- Violation of the health plan's service area requirements.
- Lapsed membership in the trust or association (including a chamber of commerce) through which the coverage is offered.
- Inability to meet the definition of a permissible group under applicable state and federal requirements.
- The health plan discontinues participation in the market or discontinues the class of coverage.

### Open Enrollment Period:

The health plan's standard policy is one 30-day open enrollment (reopening) period per year, at the time of the group's renewal. The open enrollment period is the time when eligible group members who have previously declined coverage through the group may enroll. Subscribers may select from among the various offerings available through the group during the open enrollment period.



### Special Open Enrollment Periods:

A group may request a special open enrollment period when a significant change in business conditions occurs, such as a purchase of a new division or the group expands coverage to a new class of employees.

### Classes of Employees

Classes of employees based on “conditions pertaining to employment” are permitted at the option of the employer; however, all employees, including those in different classes, must be aggregated for purposes of determining group size.

Examples of permissible classes of employees are:

- Hours
- Salaried versus hourly
- Geographic location
- Directors, managers and shareholders
- Job duties
- Earnings



## II. Subscriber/Dependent Eligibility

### Eligible Subscriber:

An eligible subscriber must be a citizen of the United States or must be in the United States validly working on at least a semi-permanent basis (e.g., “H” visa). The subscriber must live, work or reside in the appropriate health plan service area unless the business is headquartered in our service area and the majority of the employees, and those enrolled, live, work, or reside in the headquartered service area. In addition, to be eligible for coverage through the group, employees who work remotely and reside out of area must report to the employer location in our service area. Temporary and seasonal workers are eligible at the option of the employer.

For coverage through an employer group (including member firms within a trust or association), an eligible subscriber must be:

- A permanent, common law full- or part-time employee working at least 20 hours per week. Note that 1099 employees (or independent contractors) are not typically common law employees.
- An officer, director, owner, or partner if engaged in the operation of the business at least 20 hours per week and receiving compensation.

- An elected or appointed official if the employer group is a public entity (e.g., city, school district).
- If a retiree, covered by the health plan immediately prior to retirement and with continuous coverage through the health plan.
- An employee disabled or on Family Medical Leave Act.
- A former employee on COBRA/New York state extension of benefits, until the maximum period ends
- A reservist.

### Employer Probationary Periods:

Employers may select probationary periods from zero to ninety days. Insurers may not set waiting periods. Insurers must give newly eligible employees an enrollment period of at least 30 days.

### Eligible Dependent:

The eligible dependents are dictated by the subscriber contract/certificate. In general, the eligible dependents are as follows:

- Spouses
  - Spouse, including a same-sex spouse, unless the marriage is dissolved through divorce or annulment
- Dependent Children
  - a. Children of a subscriber are covered until age 26, regardless of financial dependence, residency, student status, employment, marital status, or eligibility for other coverage.
  - b. In addition to the coverage listed in subparagraph (a) above, coverage for the children of a subscriber is available, if elected by the subscriber or eligible young adult, for unmarried adults younger than 30 years of age who are not insured or eligible for insurance through their own employer, who live, work or reside in New York state or within the health plan’s service area and who are not covered under Medicare.

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- c. In addition to the coverage listed in subparagraph (a) above, coverage may be available through a “make available” rider, if elected by a group, for the children of a subscriber who are unmarried, younger than 30 years of age, who are not insured or eligible for insurance through their own employer, who live, work or reside in New York state or the health plan’s service area, and who are not covered by Medicare.
  - For purposes of subparagraph’s a. b. and c. above, the term “children” includes natural children, stepchildren, legally adopted children and children for whom a court of law has appointed the subscriber or spouse their legal guardian and who are chiefly dependent upon the subscriber for support.
- Termination of the spouse’s other plan or benefit contract
  - Death of spouse
  - Legal separation, divorce, or annulment
  - Reduction in the number of hours worked by the spouse
  - Employer ceased its contribution toward the premium for the spouse’s plan or benefit contract
  - New employee
  - Change in business structure or acquisition
  - Expansion of coverage to a new class of employees
  - Gaining or losing eligibility for Child Health Plus or Medicaid

### Subscriber/Dependent Initial Enrollment and Retroactivity

The health plan will enroll a subscriber and/or dependent for the requested date, provided that:

- The application is received within the retroactive period specified in the subscriber contract/certificate from the date of the qualifying event.
  - If the retroactive period is unspecified, within 30 days.
- If not enrolled when initially eligible, the subscriber/dependent must wait until the next open enrollment period, unless the subscriber/dependent qualifies for a special enrollment period (see following Section).

### Special Enrollment Periods:

- Marriage
- Birth
- Adoption
- Placement for adoption
- Termination of the spouse’s employment



### Special Enrollment Period (60 days)

- Gaining or losing eligibility for Child Health Plus or Medicaid

## III. Other Requirements

### Eligibility Verification:

New group and subscriber/dependent eligibility and guideline compliance will be verified using information from tax forms, other filings with government agencies and appropriate company records as determined by the Underwriting Department. Recertification of a group will occur annually through a direct request for information from the health plan. The annual cycle will repeat as long as the group purchases health insurance coverage from the health plan.



## Notice of Nondiscrimination

Our Health Plan complies with federal civil rights laws. We do not discriminate on the basis of race, color, national origin, age, disability, or sex. The Health Plan does not exclude people or treat them differently because of race, color, national origin, age, disability, or gender.

The Health Plan:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
  - Qualified sign language interpreters
  - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
  - Qualified interpreters
  - Information written in other languages

If you need these services, please refer to the enclosed document for ways to reach us.

If you believe that the Health Plan has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Advocacy Department  
Attn: Civil Rights Coordinator  
PO Box 4717  
Syracuse, NY 13221  
Telephone number: 1-800-614-6575  
TTY number: 1-800-421-1220  
Fax: 1-315-671-6656

You can file a grievance in person or by mail or fax. If you need help filing a grievance, the Health Plan's Civil Rights Coordinator is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights, electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:

U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Room 509F, HHH Building  
Washington, D.C. 20201  
1-800-368-1019, 1-800-537-7697 (TDD)  
Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.



## MEDICAL COMMERCIAL UNDERWRITING GUIDELINES APPLIED Small Group Level

Attention: If you speak English free language help is available to you. Please refer to the enclosed document for ways to reach us.

Atención: Si habla español, contamos con ayuda gratuita de idiomas disponible para usted. Consulte el documento adjunto para ver las formas en que puede comunicarse con nosotros.

注意: 如果您说中文, 我们可为您提供免费的语言协助。  
请参见随附的文件以获取我们的联系方式。

Внимание! Если ваш родной язык русский, вам могут быть предоставлены бесплатные переводческие услуги. В приложенном документе содержится информация о том, как ими воспользоваться.

Atansyon: Si ou pale Kreyòl Ayisyen gen èd gratis nan lang ki disponib pou ou. Tanpri gade dokiman ki nan anvlòp la pou jwenn fason pou kontakte nou.

주목해 주세요: 한국어를 사용하시는 경우, 무료 언어 지원을 받으실 수 있습니다. 연락 방법은 동봉된 문서를 참조하시기 바랍니다.

Attenzione: Se la vostra lingua parlata è l'italiano, potete usufruire di assistenza linguistica gratuita. Per sapere come ottenerla, consultate il documento allegato.

אויפמערקזאם: אויב איר רעדט אידיש, איז אומזיסטע שפראך הילף אוועלעבל פאר אייך ביטע רעפערירט צום בייגעלייגטן דאקומענט צו זען אופנים זיך צו פארבינדן מיט אונז.

নজর দিন: যদি আপনি বাংলা ভাষায় কথা বলেন তাহলে আপনার জন্য সহায়তা উপলভ্য রয়েছে। আমাদের সঙ্গে যোগাযোগ করার জন্য অনুগ্রহ করে সংযুক্ত নথি পড়ুন।

Uwaga: jeśli mówisz po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Patrz załączony dokument w celu uzyskania informacji na temat sposobów kontaktu z nami.

تنبيه: إذا كنت تتحدث اللغة العربية، فإن المساعدة اللغوية المجانية متاحة لك. يرجى الرجوع إلى الوثيقة المرفقة لمعرفة كيفية الوصول إلينا.

Remarque : si vous parlez français, une assistance linguistique gratuite vous est proposée. Consultez le document ci-joint pour savoir comment nous joindre.

نوٹ: اگر آپ اردو بولتے ہیں تو آپ کے لیے زبان کی مفت مدد دستیاب ہے۔ ہم سے رابطہ کرنے کے طریقوں کے لیے منسلک دستاویز ملاحظہ کریں۔

Paunawa: Kung nagsasalita ka ng Tagalog, may maaari kang kuning libheng tulong sa wika. Mangyaring sumangguni sa nakalakip na dokumento para sa mga paraan ng pakikipag-ugnayan sa amin.

Προσοχή: Αν μιλάτε Ελληνικά μπορούμε να σας προσφέρουμε βοήθεια στη γλώσσα σας δωρεάν. Δείτε το έγγραφο που εσωκλείεται για πληροφορίες σχετικά με τους διαθέσιμους τρόπους επικοινωνίας μαζί μας.

Kujdes: Nëse flisni shqip, ju ofrohet ndihmë gjuhësore falas. Drejtojuni dokumentit bashkëlidhur për mënyra se si të na kontaktoni.





