

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

Effective September 1, 2010

I. Primary carrier:

A. Aetna would issue only one plan when:

- Only 1 person in a group enrolls.
- All eligible employees elect to enroll in the same Aetna plan (e.g., 2 Aetna plans are offered to the group, but everyone chooses to enroll in the same plan).

B. Aetna will issue more than one plan when:

- Aetna would allow customers to purchase 2 plans provided that at least 1 employee enrolls in each plan and the 2 plans have different medical plan features.
- Aetna also would allow customers to purchase 3 plans provided that:
 - at least 1 employee enrolls in each plan;
 - at least 1 plan is a qualified high deductible plan; and
 - the 3 plans have different medical plan features.
- Subject to the foregoing criteria, Aetna would offer a plan from an affiliated carrier.

Second carrier:

- A Aetna does not intend to issue coverage to an employer where another carrier has 75% or more of the group. To further clarify, Aetna only intends to issue coverage to an employer if Aetna is the “primary” carrier (i.e., Aetna has 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 BCBSNJ

(Guidelines added/updated June 15, 2010)

Effective September 1, 2010

Primary Carrier

Horizon BCBSNJ requires all of the following:

- Horizon BCBSNJ will only enroll a small employer group if that group places seventy-five percent (75%) or more of its eligible employees with Horizon BCBSNJ. The 75% participation requirement is satisfied by the eligible employees, including those employees who are permitted to waive coverage pursuant to the requirements of the Small Employer Program (eg., employees with Medicare, Medicaid or coverage under a spouse's plan).

- A small employer group may choose two health benefit plans (three if one of the chosen plans is an HSA).
 - ✓ The medical plans must be different (eg., a PPO and an HMO or a PPO and a DA).
 - ✓ Multiple plans are only allowed if at least one employee enrolls in each plan.
 - ✓ A group may not offer the same medical plan with different pharmacy options.
 - ✓ Regardless of class carve-outs, the total number of plans will be counted at the group level.
 - ✓ The total number of plans allowed may be selected from either Horizon Blue Cross Blue Shield of New Jersey, Horizon Healthcare of New Jersey, Inc. ("Horizon HMO") or both. .
 - ✓ Horizon 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.

Second carrier

- Horizon 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.