

## 1/18 Small Business Group Enhanced Choice Underwriting Guidelines

### Eligibility:

- ◆ 1-50 eligible employees with over 50% of the total group located in Arizona, subject to Out-of-Area Requirements below.
- ◆ Owner-only groups are not eligible. There must be a minimum of one W-2 employee who is not a spouse of the owner or partner.
- ◆ Out-of-Area Requirements:
  - A maximum of 49% of the group's eligible population may be out of Arizona's service area, subject to the following rules.
  - A maximum of 49% of the group's enrolled population may be out of Arizona's service area, subject to the following rules.
  - Those eligible employees who are out of the Arizona service area but are in the Out of State PPO service area may be written on a PPO plan.
- ◆ Probationary period for new hires can be first of the month following: date of hire, 1 month, 30 days, or 60 days.
- ◆ Carve-outs are not available.
- ◆ Employee eligibility is determined by the employer.
- ◆ 1099's are not eligible for coverage.

### Contribution/Participation:

- ◆ A minimum employer contribution to the employee rate of \$100 or 50% of the lowest cost plan is required.
- ◆ For groups of 1-5 eligible employees, a minimum of 100% participation is required.
- ◆ For groups of 6-9 eligible employees, a minimum of 75% participation is required.
- ◆ For groups of 10-50 eligible employees, a minimum of 25% participation, and a minimum of 6 active subscribers, is required. Groups may only enroll less than 6 active subscribers when valid waivers reduce the eligible population below 6 employees, in which case, 100% of the remaining population must enroll.
- ◆ Health Net is not required to be sole carrier as long as participation guidelines are met.
- ◆ Eligible employees waiving coverage due to group coverage through another employer (e.g., spousal coverage) will not count against participation.

### Rate Information:

- ◆ 12-month rate guarantee for new and renewing business.
- ◆ Rating is based on the employer's principal business address in Arizona for all employees, whether residing in Arizona or out of state.
- ◆ Age-banded rates are available for all plans, with no minimum enrollment required.
- ◆ Composite rates are available for all plans, with no minimum enrollment required.

### Submission:

- ◆ All cases requesting coverage on the 1<sup>st</sup> must be submitted by the 5<sup>th</sup> of the month for which coverage is to be effective.
- ◆ For groups effective on the 15<sup>th</sup> cases must be submitted by the 20<sup>th</sup> of the month for which coverage is to be effective.
- ◆ For groups not meeting participation and/or contribution guidelines, cases must be submitted between 11/15 and 12/15 for a 1/1 effective date.

### Enhanced Choice:

- ◆ Groups may offer any number or combination of plans from our full portfolio. *Note:* Service area restrictions apply.
- ◆ Community Care Plans are restricted to Maricopa and Pima counties.

### PEO Groups:

- ◆ The group must demonstrate it has the right to direct the work of its employees, as well as the right to make personnel decisions, such as hiring and firing.
- ◆ All standard underwriting guidelines apply.