Health First
Health Plans

Underwriting Guidelines

for Small and Large Groups

HMO ■ POS

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General

Group Eligibility

If the group size is in question, Health First Health Plans may require a completed Agent Worksheet for Employer Eligibility to determine if the employer is eligible for Small or Large Group coverage. Employees include:

- W-2 employees
- Seasonal employees
- Part-time employees
- Combination Schedule C or F, plus W-2 employees

Sole Proprietors and Partnerships: At least one employee who is not the owner's spouse must be issued a W-2 form to be considered for group coverage.

Groups with "leased" employees will be considered on a case-by-case basis pending appropriate documentation. Supporting documentation to be considered includes, but is not limited to, a PEO billing statement and a current payroll report.

Service Area Requirement

The Health First Health Plans service area includes all of Brevard. No more than 20% of the total eligible employees can reside outside of our service area.

Additional review may be necessary for any group with 20% or more of enrolled members residing outside the service area. All required documentation must be provided.

For Large Groups, an out-of-area rider may be included for members whose employer selected a Point-of-Service plan and permanent residence is outside of Health First's service area. A maximum of 20% of eligible employees may reside outside the service area.

Participant Definitions

- Employee: Any individual employed by the employer.
- Eligible Employee: Permanent employees who work on a full-time basis with a normal work week of 25 hours or more.
- Spouse: Legally married spouse of an employee.
- Dependent Children: Children of the employee are eligible for coverage up to age 26 regardless of financial dependency, employment, eligibility of other coverage, student status or marital status. An employer must continue coverage for dependent children between the ages of 26 and 30 if the dependent is unmarried, has no dependents of their own and is a resident of Florida (or an enrolled student living outside of Florida).

Sold Case Submission Documentation

Employer must provide check or payment for first month's premium payable to Health First.

All groups must complete and submit the following:

1. Participation Verification Form—includes the status of all full-time, part-time and terminated employees with all necessary hire and termination dates
2. Agent Worksheet for Employer Eligibility (if necessary)
3. Employer Group Application
4. Employee Applications (including ZIP code) and Waivers with copies of other coverage
5. Current occupational license/business tax receipt (new companies only)
6. Approved payroll information

Completed applications and sold case business material must be received no later than **10 business days** prior to the requested effective date. If the submission is incomplete as of the requested effective date, the case will be declined as an incomplete submission and require re-submission for a later effective date.

Groups effective on the 15th of the month will have a 1st of the following month renewal. For example, if a group's effective date is January 15, the renewal date will be February 1.

All documents submitted with the application are subject to audit for compliance purposes, and may require additional documentation for processing.

For Small Groups
1–50 employees

Participation Requirement*

If the employer pays 100% of the premium, all eligible employees must be on the plan or have a valid waiver proving creditable coverage.

100% participation is required for groups of 1–3 eligible employees. For groups of 4 or more, 70% of all benefit-eligible employees must enroll for coverage, excluding those with proof of creditable coverage under Tricare, Medicare, Medicaid or other coverage meeting the minimum value standards.

Affordable Choice Program (only available to groups of four or more): Groups offering any combination of plans that have an Actuarial Value of Bronze or Silver must enroll 50% of all benefit-eligible employees. Gold or Platinum Actuarial Value plans are not eligible for the Affordable Choice Program.

Employer Contribution Requirement*

Employers are required to contribute 50% of the non-tobacco employee-only cost.

Affordable Choice Program: Employers must contribute, at the minimum, the lesser of 25% of the non-tobacco employee premium or $50 per employee.

Dual Option

Two plans may be offered to an employer as a dual option if a minimum of five employees enroll in the combined plans.

Triple Option

Three plans may be offered to an employer as a triple option if a minimum of 15 employees enroll in the combined plans. Triple plan option requires prior approval from Health First Health Plans.

Rating Methods

- Composite rating is an insurance pricing method in which similar risks are charged the same rate rather than rated individually.
- Composite rates will be determined based on enrollment as of the date the policy is issued.
- Composite rates will remain in effect, without change, for the entire policy year.
- List Bill (also known as Table Rates) are separate rates for each employee's coverage, based on allowable rating factors. Each individual rate is summed together to determine the entire group premium.
- List Bill rates will be determined based on enrollment as of the date the policy is issued.
- List Bill rates will remain in effect, without change, for the entire policy year.

** During the annual Open Enrollment period (November 15 to December 15), the Participation and Employer Contribution Requirements for small groups are waived for January 1 enrollment.*

Large Group

51+ employees

Participation Requirements

- Per the Affordable Care Act, Large Group employers as defined above have been granted guaranteed availability beginning in 2014. As a result, *renewal* quotes must meet minimum contribution and participation requirements but *new business quotes* do not.
- If the renewing Large Employer pays the entire premium and does not require contribution for such coverage by employees, then all eligible employees must be covered under this group plan, excluding employees with valid waivers.
- If the renewing Large Employer requires employees to contribute a portion of the premium, at least 70% of the eligible employees must be covered under this group plan, excluding employees with valid waivers.

Employer Contribution Requirements

- The renewing Large Employer is required to contribute a minimum of 50% of the cost of employee-only premium for each eligible employee who elects coverage under Health First.
- A renewing Large Employer may not fund any copayment or coinsurance cost-sharing provisions of the plan and may not fund the deductible in excess of 50% annually through an HRA, HSA or any other means without an appropriate underwriting adjustment.

Quote Submission Guidelines

Groups with 51–99 eligible subscribers

1. A completed and signed Large Group quotation questionnaire.
2. Census in Excel format, including date of birth, sex, home ZIP code and enrollment tier (EE, ES,EC, FAM).
3. Current plan designs with enrollment by plan.
4. The renewal with current and renewal rates by plan and enrollment by tier on carrier letterhead.

Groups with 100+ eligible subscribers

1. A completed and signed Large Group quotation questionnaire.
2. Census in Excel format, including date of birth, sex, home ZIP code and enrollment tier (EE, ES, EC, FAM).
3. Current plan designs with enrollment by plan.
4. Enrollment and claims by month for the previous 12-month period showing subscribers, members, medical, pharmacy, capitation and premium paid for each month on carrier letterhead.
5. A large claimant report showing claims paid and diagnosis for the experience period for claims greater than $10,000.

Rating Methods

- Composite rating is an insurance pricing method in which similar risks are charged the same rate rather than rated individually.
- Composite rates will be determined based on enrollment as of the date the policy is issued.
- Composite rates will remain in effect, without change, for the entire policy year.

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