

Small Group Carrier Guidelines August, 2009		Revision Date (8/13/2009)
Age Band or Composite:	Composite rates available to groups enrolling 25 + employees (may offer a maximum of only 4 plans & at least 1 person must enroll in each to offer to new hires). 2 - 24 lives, age rates only.	
Carrier Wrap Requirements:	Aetna will stand alongside another carrier's HMO plan as long as Aetna enrolls the greatest of 50% of the eligible employees & a minimum of 8 enrollees.	
Carve Out Criteria:	Carve outs allowed are CA location, union vs. non union, management vs. non-management, and salary vs. hourly. The group must enroll and maintain 8 employees in the California service area and coverage is not guarantee issue (with the exception of union vs. non-union). Definition of all employee classes on company letterhead must be provided.	
Dual Choice Guidelines:	Dual choice options available through Pick a Plan to groups enrolling 2 or more eligible employees. Employer must contribute at least 50% of the employee rate for whichever plan the employees select. See Multiple Plan Options section for rules to offer more than 2 plan designs.	
Employer Eligibility:	Group must employ 2 to 50 employees for 50% of the days in the preceding calendar quarter or calendar year prior to the effective date of coverage. May use whichever test is more favorable to determine eligibility. Also majority of the employees must be employed in California. In determining the number of eligible employees, companies that are affiliated or eligible to file a combined state tax return shall be considered one employer. Groups of 2-5 employees will be required annually to provide proof that they still meet all eligibility & participation requirements at renewal. Newly formed business (at least 6 weeks) may be written guarantee issue if specific requirements can be requirements. satisfied. See Start Up Business section for complete list of requirements.	
15th of the Mo. Effective Date:	Yes. All application material must be received by the 5th business day after the requested effective date. Only for groups with no prior coverage or are coming off of a 15th of the month effective date.	
HRA Eligibility:	Yes. Only the following plans are available with an HRA wrap: HMO 1000 deductible and MC HRA 3000. May not offer Pick a Plan if the employer is planning to put an HRA fund with an outside vendor with any of these plans. They may offer them in Pick a plan, though, if they use Aetna's HRA banking services, which are available for an additional charge.	
Multiple Plan Options:	Multiple plan options available to groups enrolling 2 or more employees through Pick a Plan. The employer may select as few or as many different plans from Aetna's portfolio that they would like to offer to employees & must contribute 50% of the employee rate for the plans that the employee select. Aetna Value Network HMO plans may be offered with the regular network HMO products under Pick a Plan with all other medical products. If the group is not enrolling in Pick a Plan, then they may offer a maximum of 3 plans. If they want to offer more than 3 plans, then they will automatically be in Pick a Plan.	
Out of State Guidelines:	Groups with more than 49% of their employees employed outside of the state of California may be written on a non-guarantee issue basis and may be declined for coverage. The contract will be written in the state that employs a majority of the employees; if there is no majority, then it can be written from the state that the group is headquartered in. Employees outside of California must be offered and enroll in an MC plan if available in their area. If they are not in an MC state (verified through the PAL tool on Aetna's website), then they will be offered a regular PPO or an indemnity plan (based on availability).	
Over-age Dependent Children:	Unmarried children may remain eligible on parent's plan until they reach age 19. May remain on parent's plan from age 19 through age 23 if they are a full time student (minimum of 12 units) in an accredited college and enrollment in school can be verified.	
Ownership Documentation Requirements:	<p>For owners and officers not appearing on company DE6, following additional ownership paperwork required for groups enrolling 2 to 24 employees (only Proof of Eligibility form needed for group that enrolls 25 to 50 employees)</p> <p>Sole Proprietorship: Proof of Eligibility form, & latest Schedule C (or 1040F), IRS form 1040 SE or IRS form 1040 ES. Fictitious Business Filing, or the filed Business License may also be required.</p> <p>Partnership: Proof of Eligibility form and last filed Schedule K-1 for each partner, IRS form 1040 SE or IRS form 1040 ES. Filed partnership agreement, Fictitious Business Filing, filed Business License or filed Certificate of Organization (for LLP), may also be required.</p> <p>"C" Corporation: Proof of Eligibility form and IRS form 1120 with Schedule E, 1120 A or 1120 W. Filed Fictitious Business Filing, Articles of Incorporation (with officers listed), Statement of Information (with officers listed), and Certificate of Qualification (for foreign corporation) may also be required.</p> <p>"S" Corporation: Proof of Eligibility form & IRS form 1120 Schedule K-1 or 1040 ES for each officer. Filed Fictitious Business Filing, Articles of Incorporation (with officers listed), Statement of Information (with officers listed), and Certificate of Qualification (for foreign corporation) may also be required.</p> <p>LLC: Proof of Eligibility form and appropriate tax documents for how they are file their taxes, which will either be a C Corp or an S Corp (see tax documents above for C Corps and S Corps). Filed Fictitious Business Name filing, Articles of Organization with the Operating Agreement (with all members listed), the Statement of Information (with all members listed) may also be required.</p> <p>For groups of 5 or more enrolling, Aetna will accept a group's prior carrier billing statement to determine eligibility of owners/officers not on the quarterly DE6 along with a completed Proof of Eligibility form for each owner. The prior carrier bill must list each insured/employee's name including the names of any owners.</p>	
Participation Guidelines:	For groups with 2 to 3 eligible employees, 100% participation is required of those eligible employees not covered elsewhere by another employer's group plan. For groups of 4 to 50 eligible employees, 75% participation is required of those employees not covered elsewhere by another employer's group plan. For employers with employees located in a Vitalidad service area, the requirement drops to 65% participation as long as at least 1 employee enrolls in a Vitalidad plan.	
Part-Time Employee Enrollment:	Group may request to cover employees working a minimum of 20 hours per week at the time of the initial application. Otherwise, an eligible employee must work a minimum of 30 hours per week in order to be eligible for coverage.	
RAF & Health Statement Guidelines:	2 - 4 lives enrolled = 1.10 automatically (no health statements necessary as long as the group qualifies under guarantee issue) 5 - 50 lives = minimum .90 available with full or abbreviated health statement required depending on group size. 2 - 10 life groups complete the full 17 question health statement. Groups of 11 to 50 lives complete an abbreviated 5 question health statement.	
Rating Areas:	Rates are based on the zip code of the employer's home office.	
Spin Off Rules:	Aetna will write groups spinning off from a current Aetna group guarantee issue with a letter from the group or broker that states they are spinning off of a current Aetna group (the letter must state the name of the company they are spinning off from), include the ownership documents of the new group, include 2 weeks (or more if available) of payroll, and all regular enrollment applications. If the group is not coming off a current Aetna group, then they are treated like any other start up group if they have not been in business for 45 days in the prior calendar quarter and may be considered on a non-guarantee issue basis only.	
Spouse Rules:	Husbands and wives working for the same company may enroll separately as employees or enroll together as an employee/spouse or a family if they have children.	
Start Up Groups:	Groups in business at least 6 weeks may be written guarantee issue if they can provide the following: appropriate new business documents, employer EIN or Federal Tax ID#, a copy of their DE6 (if available) and 6 weeks of consecutive payroll runs including all eligible employees with hours worked, taxes withheld, wages earned & check #s. If they do not have payroll, they may provide a letter from their CPA with a list of all employees & owners, # of hours each employee works, weekly salary of each employee, dates of hire and the answers to the following questions: have payroll records been established and if & when will a quarterly DE6 be filed? The group will not be considered on a guarantee issue basis, though, unless they can provide 6 weeks of payroll with 2 or more employees on it.	
1099 Workers:	Aetna will allow 1099 employees to enroll under the following guidelines: 1099s must appear on prior carrier bill, they may only enroll at initial enrollment or at renewal, they must work 30 hours or more per week on a year round basis for the employer (20 if covering part time), they must have been employed long enough to have filed one tax return with the employer, employer must contribute the same amount for 1099's premium, must offer coverage to all future 1099s, and no more than 25% of group may be 1099. The 1099 Employee Verification Form must be completed and submitted with a letter from the employer requesting to cover 1099 employees and a copy of the 1099 employee's Schedule C and Form 1099 Misc. for the prior year.	
Union Carve Outs:	Union vs. non-union carve outs can be written guarantee issue if proof of coverage is provided on the union employees in the form of a copy of the union carrier's billing statement. Aetna must enroll and maintain 8 employees. Eligibility for these carve outs is based on the number of non-union employees. If the total group size (both union and non-union employees) is over 50 lives, Aetna requires the case to be declined by mid-market first before it can be written by small group.	
Waivers:	Valid waivers include other group sponsored coverage through another employer, Champus/Tricare, & Medicare THIS IS A SUMMARY ONLY OF SELECT CARRIER GUIDELINES AND IS NOT TO BE RELIED UPON AS A COMPLETE REPRESENTATION OF EACH CARRIERS' UNDERWRITING GUIDELINES OR POLICY CONTRACTS. PLEASE CONSULT ACTUAL CARRIER GUIDELINES OR EVIDENCE OF COVERAGE/CERTIFICATE OF COVERAGE FOR A FULL DESCRIPTION OF UNDERWRITING PROCEDURES AND PLAN PROVISIONS.	