



# Small group health plans

from Anthem Blue Cross, designed for businesses with 2-50 employees

Helping your employees stay healthy all year long



# **Anthem Blue Cross and Anthem Blue Cross Life and Health Insurance Company**

**Helping small businesses stay healthy so they can grow strong**

Anthem Blue Cross is committed to protecting the health of California's small business community. After all, we've been covering small businesses like yours for nearly seven decades. And because of our experience, we've learned how to create the kind of health coverage solutions that work best for businesses like yours.

## Why health coverage is a smart business strategy

Let's face it. The chance to offer employee health coverage can be a big deal for a business like yours. After all, it's a symbol of success — one of those milestones that shows you've taken your business to the next level.

Offering health coverage can also help you attract — and keep — the talented employees your business needs to succeed. And once they're on board, having solid health coverage will most likely keep them healthier, happier and more productive.

### It may be easier and more affordable than you think

Because you've worked so hard to build your business, it may surprise you just how easy it is to get the health coverage you've dreamed about, especially in California, where you have certain privileges, including:

- **Guarantee issue:** If you're a qualifying California small business, you're guaranteed health coverage. Plus, you can't be charged more than 10% over the standard rate — and you actually might save up to 10% off the standard rate!
- **Cost sharing:** You choose among different contribution options to decide how much you want to contribute. Employees cover the difference through payroll deductions.
- **Easy to qualify:** You need only two eligible employees to qualify for small group coverage — and you can have up to 50.
- **Tax breaks:** Health coverage can be 100% deductible on both your state and federal income taxes. Plus, you may be able to deduct any reimbursements for employee medical expenses or contributions to employee health savings accounts. And a Premium Only Plan allows you to use pre-tax salary dollars to pay your employees' share of benefit premiums. Go to page 13 to find out how you can get the first year free! Consult your tax professional for more information.

We're dedicated to  
your business success

## Why you've come to the right place to find coverage

### Security you can rely on

You want to feel secure about any investment your business makes. And health coverage is no exception. With Anthem Blue Cross you can feel secure about the quality of your health coverage, the size of our provider networks and the high level of trust our customers show us.

### Innovative ways to help you control costs and save time

If you're like most small businesses, you're on a tight budget. That's why we give you so many plan choices with price flexibility. Multiple contribution options help control how much you pay toward employee coverage. Plus, we offer the chance to save by adding coverage for dental, vision, life and workers' compensation.

### A focus on keeping your employees healthy

Because a healthy business starts with healthy employees, your Anthem Blue Cross coverage includes 360° Health®, an innovative suite of programs, tools and services designed to help your employees improve and maintain their health. We have also negotiated lower prices with network providers so you and your employees can save on health care services.

*Call your Anthem Blue Cross agent or 800-627-8797 with any questions.*



You'll save time and money when you combine medical coverage with dental, vision, life and workers' compensation

### Manage your benefits online with EmployerAccess

Need to pay a bill? Cancel or add coverage? Check an open invoice? You can do it all quickly, easily and right at your desktop! EmployerAccess saves you time by letting you take care of benefit-related business in real time.

Whether it has to do with medical, dental, vision or life coverage, EmployerAccess lets you:

- Review employee coverage
- Enroll employees or add dependents
- Request ID cards
- Schedule payments
- Manage the bank account you use for payments
- And much, much more

For more about EmployerAccess, go to [anthem.com/ca](http://anthem.com/ca) or talk to your Anthem Blue Cross agent

### Start by choosing the right medical coverage as your company's foundation

#### The EmployeeElect portfolio

The choice to make when you want lots of options.

- Lets you offer all of our PPO, HMO and HSA-compatible plans or just a few
- Helps you control costs by offering three different contribution options
- Guaranteed rates and benefits for your first year of coverage
- Requires 75% employee participation — after valid waivers

#### The EmployeeChoice program

Lets you offer another carrier's HMO side-by-side with five Anthem Blue Cross plans.

- Gives you a package of five distinct health plans (four PPOs and one HMO)
- Helps you control costs by offering three different contribution options
- Guaranteed rates and benefits for your first year of coverage
- Requires 75% employee participation — after valid waivers and employees who choose an alternative HMO\*

#### The BeneFits portfolio

When simplicity and savings are your top priorities.

- Lets you choose from six different health plans (four PPOs, one HSA and one HMO)
- Requires 60% employee participation
- More affordable rates
- Guaranteed rates and benefits for your first year of coverage
- Lower contribution requirements

\* You must have a minimum of five employees enrolling in Anthem Blue Cross plans to be eligible. Other group participation requirements apply.

## Add strength and savings with dental, vision, life and workers' compensation

Create the ultimate benefits package by combining medical with our other coverage options. One-stop shopping makes it easy to pick and choose the benefits you want. Plus, one consolidated bill makes it easier to manage. Best of all, you'll:

- Save up to 1%\* on your medical premium when you buy \$25,000 or more of life insurance along with medical (at the same time).
- Save 6% on your dental and life premiums when you buy \$25,000 or more of life plus any of our insured dental plans at the same time. These savings are in addition to the 1% savings on your medical premium!
- Save 10% on your workers' compensation premium by combining medical with workers' compensation coverage provided by EMPLOYERS®. You may also qualify for savings on your medical premium (underwriting approval required).

\*Lowest RAF possible is .90. RAF guaranteed for one year. Savings reflect administrative savings resulting from multi-line purchases.

# Ask your Anthem Blue Cross agent about other ways to save on your medical premium

**360° Health gives members the right care at the right time so they can achieve their own personal healthy best**

### Health Tools

Anthem Blue Cross offers a wide range of tools to help members manage their health. Our 360° Health® is one of the industry's most comprehensive care management programs.

With successful integration of health data and management tools, 360° Health offers effective engagement strategies for our members. 360° Health includes:

- Healthy Living Powered by *WebMD*
- Wellness Information
- AudioHealth Library
- Health Risk Assessments
- Staying Healthy Reminders
- Health Discounts
- 24/7 NurseLine
- Decision Support Tools
- MyHealth Record
- ConditionCare

For more about 360° Health, go to [anthem.com/ca](https://anthem.com/ca)

Note: For Lumenos® plans, 360° Health programs may vary.

## Great ways to save!

Anthem Blue Cross is working hard to help your company and your employees save money on health care costs. One of the easiest and most convenient ways to save is by ordering maintenance medications through our NextRx mail-order pharmacy.

### Employees can save over 66% using mail order!

Our mail-order service pharmacy is a proven money saver. Get a 90-day mail-order supply for the same cost as a 30-day retail supply for generic medications! Most of our plans offer brand formulary and brand nonformulary medication benefits, and with our mail-order service you'll get a 90-day supply of those medications for the same cost as a 60-day retail supply.\*

Mail order slashes prescription costs by giving you and your employees greater supplies of maintenance medications for as little as one-third the cost. It's convenient and easy to get started!

### Savings example:

|  | Retail Cost | Mail-Order Cost | Annual Mail-Order Savings |
|--|-------------|-----------------|---------------------------|
| Annual Savings for an Employee on a Single Generic Maintenance Medication <sup>†</sup> | \$120       | \$40            | \$80!                     |

<sup>†</sup>Savings example based on EmployeeElect PPO \$30 copay plan comparing \$10 copay for 30-day supply at retail vs. \$10 copay for a 90-day supply with mail order.

\*This mail-order benefit does not apply to the High Deductible EPO plan in the EmployeeElect portfolio. Costs may vary for brand-name drugs if generic equivalent is available. Member pays full cost of drug at negotiated rates until deductible is met, if applicable.



## HMOs, PPOs, and HSA plans: A look at the building blocks of medical coverage

Choosing the right medical coverage starts with understanding the nuts and bolts of each health care plan. Here's a look at how they work, what they offer and why their differences are important for meeting a variety of needs.

### HMOs: Easy to use with predictable costs

With HMO coverage, employees choose a Primary Care Physician (PCP) from our HMO network. Their PCP then coordinates their health care and makes referrals to specialists as needed. HMO plans also feature:

- Large network of over 32,000 California HMO doctors — so chances are your employees can easily find one close to where they live or work — and employees have the option to go with our Select Network, which is unique to our SelectHMO plan
- Low out-of-pocket costs
- No deductible for office visits or generic drugs
- No referral needed for OB/GYN care
- Out-of-state coverage for emergency services
- Unlimited lifetime benefits for covered services
- DirectAccess and SpeedyReferral programs that provide consultations without prior approval for specialties such as allergy, dermatology, and ear, nose & throat (ENT). These programs are available to HMO members who choose medical groups in the Provider Directory that participate in the SpeedyReferral and DirectAccess programs

### PPOs: More choices with special network rates

With a PPO plan, employees can choose any doctor or hospital they want. Plus, we've negotiated special rates with providers in our PPO network so employees will save more when they use in-network providers for covered services. Other PPO features include:

- Large network of over 53,000 California PPO doctors and specialists, and nearly 400 hospitals in California
- Immediate benefits (with no deductible) for generic drugs and office visits on many plans
- Savings when employees use network providers for covered services
- 100% coverage for most in-network covered services after meeting the annual out-of-pocket maximum
- Coverage for out-of-network services at higher cost to employees
- Access to participating doctors and health care facilities nationwide through the BlueCard® program
- \$5,000,000 in lifetime benefits per member

### HSAs: Great health coverage with financial benefits

HSA plans are traditional PPO plans designed to help your employees play a bigger role in improving their health. Along with generous coverage for preventive care services, HSA plans also give employees access to a personal health coach, as well as a wide range of online tools that can help them make smarter health care decisions and take steps to create and maintain a healthier lifestyle. HSA plans also meet federal guidelines for use with Health Savings Accounts, which offer employees tax benefits when used to save for current and future health care expenses.

**For more about the  
benefits of our HMO, PPO and  
HSA plans, talk to your  
Anthem Blue Cross agent or  
call Customer Service at  
800-627-8797**

## How HMOs, PPOs and HSA plans work

**Annual Deductible:** The amount a member has to pay each year before Anthem Blue Cross starts paying for covered services. For most plans, the deductible is included in the out-of-pocket maximum and waived for office visits and physical exam.

**Copayments:** The amount the member is responsible to pay.

**Coinsurance:** A percentage of the cost of covered services the member is responsible to pay.

**Out-of-Pocket Maximum:** The maximum amount a member would have to pay for qualified covered services before the plan pays 100% for most covered benefits. (This includes the annual deductible on most plans.)

**Lifetime Benefit**

| HMO Plans   | PPO Plans  | HSA Plans   |
|---|--|---|
| Not all Anthem Blue Cross HMOs have an annual deductible...for those that do, it applies to certain facility services only.   | All of our PPOs have an annual deductible, but most plans waive the deductible for covered office visits and physical exam.  | All of our HSA plans have a combined annual deductible for medical and pharmacy expenses. Deductibles are applied toward the annual out-of-pocket maximum.  |
| With an HMO, the copayment is often the member's only responsibility for most in-network covered services.  | Member copayments apply with the annual deductible waived and before the out-of-pocket maximum is met.   | After annual deductible is met, copayment/coinsurance amounts will vary by plan.  |
| Coinsurance applies on some Anthem Blue Cross HMOs for certain covered services only, such as outpatient facility charges.  | In addition to copayments, PPO members are responsible for coinsurance on most covered services. Coinsurance is subject to the annual deductible and out-of-pocket maximum requirements. | After annual deductible is met, coinsurance will apply on some plans for certain covered services. Some HSA plans do not require coinsurance for certain covered in-network services after deductible is met.       |
| Family Aggregate applies. This means that when one or more family members' combined eligible covered expense meet this amount, the out-of-pocket maximum is satisfied for all covered family members. | Two-member maximum applies on most of our PPO plans. This means that when two enrolled family members each meet the amount separately, the requirement is satisfied for all.             | All of our HSA plans have a combined annual out-of-pocket maximum for medical and pharmacy expenses. Plan deductibles and most coinsurance and copayments are also applied toward the annual out-of-pocket maximum. |
| Anthem Blue Cross HMO plans pay unlimited lifetime benefits for in-network covered charges.   | Our PPO plans pay up to \$5 million lifetime coverage for eligible expenses.   | Our HSA plans pay up to \$5 million lifetime coverage for eligible expenses.  |



## How employees save with our PPO negotiated fees

The fees that we negotiate with PPO network providers can save employees between 30% and 40% on covered services. This illustration shows how it can really pay for employees to stay in-network rather than use out-of-network providers.

|                                 | In-network  | Out-of-network |
|---------------------------------|-------------|----------------|
| Provider's usual fee            | \$1,000     | \$1,000        |
| Our negotiated fee/fee schedule | \$600       | \$600          |
| What we pay                     | \$480 (80%) | \$360 (60%)    |
| Provider write-off              | \$400       | \$0            |
| Employee's out-of-pocket cost   | \$120       | \$640          |

**That's a savings of \$520!**

**By choosing in-network providers, employees can save up to 40% on covered services**

### Because you know what your business needs most, our coverage puts you in charge

No one understands your business better than you do. That's why our group health plans give you control over all the elements that go into building your benefits package.

#### **You decide how many health care plans to offer employees**

With Anthem Blue Cross, you have control of how many medical plans you offer...and administration is just as easy, no matter how many plans you choose to offer:

- **Single plan:** Employees enroll in the plan you pick; you can switch to another plan in the future subject to underwriting approval.
- **Combination of a few:** Employees choose from two or more plans you select; you can change plans (or add more plans) in the future subject to underwriting approval.
- **All plans:** Employees have access to the entire portfolio and may enroll in any plan; you can easily change plans during open enrollment.

Most employers offer at least one PPO and one HMO. Many choose a mix of several plans. And, employers who choose "all plans" have the option of providing maximum choice — now and later.

#### **You choose how much you want to contribute**

The amount you contribute toward each employee's monthly premium is up to you (dependent contributions are optional). Any remaining balance will be paid by the employee through payroll deductions. Your contribution options are:

- **Traditional:** You'll pay a percentage of the monthly premium. The amount will depend on the range of premiums for the plans you're offering and which plan the employee chooses.
- **One plan percentage:** You'll pay a percentage of the monthly premium for one specific plan. This gives you more control over your contribution amount.
- **Fixed dollar amount:** You'll pay the same amount for each employee regardless of their plan or premium.

#### **Special provisions:**

- If you pay 100% of your employees' medical, dental and/or life premiums, then 100% of eligible employees must participate.



## Contribution options

| Type of Coverage | Traditional<br>Applies to all plans you offer | Percentage & Plan<br>Applies to one plan of your choice | Fixed Dollar<br>Applies to all plans you offer |
|------------------|---|---|--|
| <b>Medical</b>   |   |   |  |
| EmployeeElect    | 50% to 100%                                   | 50% to 100%*  | \$100 or more                                  |
| EmployeeChoice   | 50% to 100%                                   | 50% to 100%   | \$100 or more                                  |
| BeneFits         | 25% to 100%                                   | 25% to 100%   | \$50 or more                                   |
| <b>Dental</b>    | 50% to 100%                                   | N/A   | \$15 or more                                   |
| <b>Vision</b>    | 50% to 100%                                   | N/A   | N/A  |
| <b>Life</b>      | 25% minimum employer contribution             |   |  |

\* Excludes Basic PPO Plan

### You get the security of rate guarantees

When you sign up for small business medical and dental coverage, we'll guarantee your rates and benefits for the first year. Sign up for vision coverage and we'll guarantee your vision rates for two years!

### You save on taxes

Remember, health coverage can be 100% tax deductible on both your federal and state income taxes. You might also be able to deduct related costs, such as any contributions you make to employees' health savings accounts.

You can also save on payroll taxes by setting up a Premium Only Plan (P.O.P.). Authorized by Section 125 of the IRS tax code, a P.O.P. lets employees use pre-tax dollars to pay their monthly premiums. This means you'll pay less on payroll taxes and your employees will have more take-home pay.

All it takes is making a simple change to your payroll process. And we've made it easy by arranging for Ceridian Benefits Services to set up and administer your P.O.P. for only \$125 per year. Your first year could be free if you have 10 or more employees enrolling in medical and life; five medically enrolling employees for BeneFits (no life enrollment required). Please consult your tax advisor for details.

# Dental plans and benefits you and your employees can smile about

Whether you want a basic plan, comprehensive coverage or something in between, you'll find it among our wide range of 12 dental PPO and dental HMO plans.

## Dental Blue®

### We make it easy to sell with coverage for:

- Diagnostic and preventive services like exams, cleanings and X-rays – at no cost when using an in-network provider
- Fillings at 80% (or even 90%) when using an in-network provider
- More extensive services like oral surgery, crowns and root canals
- Orthodontic services covered on most plans
- Services that aren't covered, like porcelain veneers, dental implants and treatment for TMJ
- Services after they reach their annual maximum

### Basic, Standard and High Option Dental PPO plans

These three dental PPO plans feature:

- The freedom to choose any dentist or specialist (no referrals needed)
- More than 17,000 PPO provider locations to choose from in California
- Access to quality care at discounted fees
- Coverage for both routine visits and more extensive procedures

### Dental Net Dental HMO plan

Our dental HMO plan, Dental Net, offers:

- More than 5,000 dentists to choose from in California
- Easy-to-use coverage
- No annual deductibles
- No annual maximums
- No waiting periods
- Orthodontic services for children and adults

Note: Only services received from a participating dental office are covered by our Dental Net plan.





The Voluntary PPO dental plan gives employees a choice of any dentist and offers many services at a very low cost — or even no cost. Preventive and diagnostic care is covered immediately after approval.

## Voluntary Dental PPO and Voluntary Dental Saver SelectDHMO plans

**These plans offer you quality, comprehensive dental coverage at little or no cost.**

- The Voluntary Dental PPO plan gives members a choice of any dentist and many services offered at a very low cost or even no cost. Diagnostic and preventive care is covered immediately after approval.
- The Voluntary Dental Saver SelectDHMO plan gives members a chance to enjoy unlimited benefits with participating dentists, low office copayments, and no annual maximums or deductibles. And just like with our Voluntary Dental PPO plan, diagnostic and preventive care coverage begins immediately after approval.

### Special provisions:

- If you pay 100% of your employees' medical, dental and/or life premiums, then 100% of eligible employees must participate.
- To offer Voluntary Dental for a group of 2-50:
  - Employees can pay up to 100% of the premium cost (you don't have to contribute).
  - Voluntary Dental must be offered in conjunction with medical coverage.
  - Voluntary Dental is only available in California.
  - Just three employees or 25% of eligible employees (whichever is greater) needed for voluntary plan enrollment.

## Vision coverage

### Get vision coverage and see increased productivity

Comprehensive, inexpensive vision plans can play a role in managing the overall health and well-being of your employees. It's been shown that regular eye exams and wearing corrective eyewear can greatly decrease the risk of more serious, long-term eye diseases and can even result in early detection of other health conditions\* — increasing your employees' productivity and performance. You get the picture, and so do we. That's why we've created Blue View Vision.<sup>SM</sup>

### Blue View and Blue View Plus feature:

- **A broad, convenient network** – Employees have access to an extensive network of participating providers and provider locations (more than 44,000 across the U.S. and more than 4,000 in California alone), including independent ophthalmologists and optometrists as well as LensCrafters®, Target Optical, Sears Optical, JCPenney Optical and Pearle Vision. Many locations are conveniently open in the evenings and on weekends, allowing your employees to schedule appointments outside their normal workday.
- **Value-added savings** – Employees enjoy additional savings of up to 40% on unlimited purchases of most extra pairs of eyewear, contact lenses, lens treatments, specialized lenses and various accessories — even after they've exhausted their covered benefits.
- **Easy-to-use benefits** – Employees simply choose a provider in the network, make an appointment, present their ID card, and pay any applicable copayments and any balance for non-covered services and/or materials. The provider verifies eligibility and takes care of any necessary paperwork.

\*American Optometric Association, aoanet.org.

## Basic Life

### Get life...and share the benefits of your employees' security

Your employees depend on you, and their families depend on them. Life insurance is an easy, inexpensive way to help your employees improve their families' financial security. Your employees will appreciate that you took the time to include their families' future in your company's benefits package.

### Save with composite life rates

Enroll 11 or more employees, and you'll automatically receive our composite life rates. Composite rates mean your group will receive a single rate per \$1,000 of life coverage regardless of the age or gender of those enrolling. What's in it for you? Easier administration and yet another way to get potentially lower rates.

### Life is easy with guaranteed issue amounts

All of our Anthem Blue Cross health benefits groups with two or more enrolled employees can get life coverage without going through health underwriting — and there are no health questionnaires to fill out.

### Improve member productivity and well-being with the LifeConnections member assistance program

Life demands a lot, and asking for help can be difficult. That is why Anthem Blue Cross Life and Health Insurance Company offers

LifeConnections, a member assistance program for employees and their families. LifeConnections provides easy access to confidential support and resources that employees and their families may need to improve their well-being and manage problems before they become an emotional or financial burden.

### Enjoy the convenience of one application, one bill

Only one application form is required for both health coverage and life insurance, and you'll have the added convenience of one consolidated monthly bill.

### Strength, stability and service

We are the #1 group life insurance carrier in the under-100 employee market.\*\* Anthem Blue Cross Life and Health Insurance Company is rated "A (Excellent)" for financial strength by A.M. Best Company and "A+ (Superior)" for claims-paying ability by Standard & Poor's. That means you can provide this valuable benefit knowing it is backed by the strength and stability of one of the most respected names in the industry.

The availability of Group Life insurance is subject to underwriting, and the rates are subject to change. See your *Certificate* for exclusions and limitations. For a copy of the *Certificate*, call Customer Service at 800-627-8797.

\*\*The #1 is based on the combination of Gen Re's 2004 U.S. Group Life Inforce Cases Study and internal company data. Each affiliated life company is a separate, independent legal entity for financial purposes and is solely responsible for its own contractual obligations and liabilities.

## Basic term life

When you offer basic term life, your employees and their families will gain extra peace of mind and financial support in the event of untimely death or great physical loss. You can select a level of basic term life coverage from \$15,000 to \$250,000. With any level of coverage, Accidental Death & Dismemberment (AD&D) benefits are included automatically.

The life benefit is payable in the event of death at any time, with the automatic AD&D feature providing employees with an additional benefit — equal to the amount of the life benefit — in case of an accidental death or a serious qualifying accident. The Living Benefit allows enrollees diagnosed with a 12-month life expectancy due to a terminal condition to request up to 50% of their death benefit.

### Extras included with AD&D coverage

- An annual college education benefit for eligible dependents that adds the lesser of 25% of the coverage amount or \$12,000 to the AD&D benefit
- A seat belt provision that adds the lesser of 10% of the coverage amount or \$25,000 to the AD&D benefit
- A \$5,000 maximum repatriation benefit for preparation and transportation services should death occur more than 75 miles from home

### We are your single solution

With Anthem Blue Cross and Anthem Blue Cross Life and Health Insurance Company, it's all about making your benefits program simpler. And most importantly, making it work well together. Whether it's health, dental, vision or life, we're in it to help achieve healthier employees.

### Maximize your savings opportunities

- 1% health savings\* - When you purchase \$25,000 or more of life along with health, you may qualify for a 1% savings on your health premiums, making life insurance more affordable than ever.
- 6% dental savings and 6% life savings - When you purchase any of our insured dental plans and \$25,000 or more of life coverage at the same time, receive a 6% savings on your dental premium and a 6% savings on your life premium.
- Composite life rates - Enroll 11 or more employees in life coverage, and you'll automatically get the advantages of a single rate per \$1,000 of life.

Quite simply, you can save a lot of time and a lot of money when you purchase health, dental, vision and life together from one convenient, trusted source.

\* Lowest RAF possible is .90. RAF guaranteed for one year. Savings reflect administrative savings resulting from multi-line purchases.

## Meet state requirements with Workers' Compensation

We've joined forces with EMPLOYERS® so you can add Workers' Compensation to your medical coverage and save. This special program includes:

- Temporary and permanent disability benefits
- Vocational rehabilitation
- Death benefits

## Advantages of integration with medical

In addition to savings, employers and employees receive many other advantages:

- One managed care provider network for both personal health and Workers' Compensation coverage
- Employees' network family physicians may treat both personal illness and work-related injuries and refer to specialists when necessary
- Easy administration through one consolidated bill and point of contact
- By reducing medical expenses using lower-negotiated network fees, employers also have the potential for long-term savings on Workers' Compensation premiums

## Special provisions:

**Supplemental life participation levels vary by group size. Groups of three to 10 employees must have 100% participation; groups of 11 to 50 must have 25% participation — at least three must participate.**

## Getting started: What you should know about employee participation and eligibility

### Participation requirements

Certain percentages of your employees must enroll in the Anthem Blue Cross coverage you offer:

- **75% for EmployeeElect and EmployeeChoice\*** medical plans and all dental, vision and life products
- **60% for our Benefits** portfolio of medical, dental and life plans

1. Start with the total number of employees, including owner(s).

*Example: Say you have ten employees...*



2. Subtract allowable waivers, i.e., employees who already have coverage under Medicare/MediCal/military plans or as a dependent on a spouse's or parent's employer-sponsored group plan; and, for EmployeeChoice only, those who enroll in the other HMO plan sponsored by their employer.\*

*...and two of them qualify as allowable waivers...*



3. This gives you the total number of eligible employees.

*...that would leave you with eight employees who are eligible...*



4. Subtract non-allowable waivers (employees who do not have other coverage or have coverage other than those listed as allowable in step 2).

*...let's say two of them are non-allowable waivers...*



5. This gives you the total number of enrolling employees.

*...you would now have six enrolling employees...*



6. Divide the number of enrolling employees by the total number of eligible employees. The resulting percentage indicates the group's participation.

*...making your participation percentage 75%*  $6 \div 8 = .75$  or 75%

See page 6 for more information about EmployeeChoice.

\* For EmployeeChoice, please note that a minimum of five (5) employees must enroll with Anthem Blue Cross, and Anthem Blue Cross has no influence whatsoever on the participation levels required by the carrier who provides the employer's other HMO plan.

## Eligibility guidelines for medical, dental, vision and life

### Eligible employees include:

- **Full-time:** Employees employed on a permanent basis with a normal work schedule of at least 30 hours per week, and compensated for that work by the employer (subject to withholding appearing on a W-2 form).
- **Part-time:** Employees employed on a permanent basis with a normal work schedule of either 15-29 hours or 20-29 hours (employer chooses desired option) and compensated for that work by the employer (subject to withholding appearing on a W-2 form). It is the employer's option to offer coverage to part-time employees; if exercised, employer must offer all similarly situated individuals the same coverage opportunity.
- **Sole proprietors/partners/corporate officers:** Must work at least 20 hours per week to be eligible for coverage.
- Others who may also be eligible subject to underwriting approval:
  - Seasonal workers employed by selected agricultural SIC code businesses
  - Private household staff

Ineligible employees/workers include temporary, leased or substitute workers and anyone compensated on a 1099 basis.

**Cal-COBRA, COBRA, FMLA-eligible groups:** Employees who are qualified for coverage under California law SB719, the Federal Consolidated Omnibus Budget Reconciliation Act or the Family and Medical Leave Act must complete a questionnaire, including the qualifying event and the date that continuation of coverage began.

**Out-of-state:** Employees out-of-state may not enroll in HMO or EPO plans. The majority of your group's eligible employees – at least 51% – must be employed within the state of California.

Spouses employed at the same company may both be covered as employees. Their children may be considered the dependents of either employee, or both.

### Eligible dependents must have one of the following relationships with an eligible employee:

- Lawful spouse or registered domestic partner (Anthem Blue Cross complies with state law requiring employers to offer the same access to dependent health coverage for spouses and qualified registered domestic partners as defined in AB2208, and we give employers the choice of whether or not to offer dependent coverage to opposite sex domestic partners under age 62, which is not required by law).
- Unmarried child under age 19 (natural or legally adopted) of the employee or the employee's enrolled spouse/domestic partner.
- Unmarried child between age 19 and 24 who is a full-time student and qualifies as a dependent for federal income tax purposes.
- Ward (child) of a permanent legal guardian.

### Other important information you should know

**Effective Date** of coverage for a new group must be the 1st or 15th of a month. Existing groups adding new products or new subscribers to existing plans: coverage takes effect (place) on the 1st of the following month following approval.

**Initial 12-Month Rate Guarantees** are extended to AB1672-qualifying groups on their original effective date. A group member's rate may be adjusted due to changes in age, residence or number of dependents.

**Risk Adjustment Factor (RAF):** Small Group medical premiums are based on cost trends in geographic areas and other factors which determine the Standard Employee Risk Rates (SERR) for each Medical plan. According to the group members' risk profiles, Anthem Blue Cross establishes a Risk Adjustment Factor (RAF) for each group, which adjusts the SERR up or down by a maximum of 10% in accordance with State law. Dental, Vision and Life coverage have a standard 1.00 RAF.

**Employer Waiting Period**, the length of time that must pass after employees are hired before they (and their dependents) become eligible for coverage, is chosen by the employer. This time-frame can be the first of the month following an employee's date of hire or up to one, two, three, four, five or six months following the date of hire. Employer waiting periods for Vision must be the same as Medical or Dental when Medical or Dental is taken.

**New Hires** in an existing group can be enrolled by submitting applications for the new employees and their dependents to Anthem Blue Cross within 30 days of becoming eligible for coverage; applications must be received no later than the last day of the month prior to the requested effective date. Applications received beyond that date may be treated as late enrollees.

**Declining Coverage:** If an employee chooses not to participate in a group's Medical or Dental plan, the appropriate Sections of the Small Group Employee Application must be completed within 30 days of becoming eligible for coverage.

**Late Enrollment/Open Enrollment:** Employees and dependents who are eligible for coverage but choose to delay enrollment may be considered late enrollees; their next enrollment opportunity would be the group's anniversary date during a period referred to as Open Enrollment.

**Waiting Period for Pre-existing Conditions:** (Not applicable for HMOs) May be imposed if an enrollee has/had a Medical condition before coming to our plan for which Medical advice, diagnosis, care or treatment was recommended or received within the prior six months. That means the enrollee might have to wait at least six months before the plan will provide coverage for that condition (does not apply to pregnancy or to a child enrolled in the plan within 30 days after birth/adoption). In some cases, the exclusion may last up to 12 months, or as long as 18 months for late enrollees. However, the waiting period can be reduced by the number of days of prior creditable coverage during which the enrollee did not experience a break in qualified health coverage that lasted more than 63 days for an Individual plan or 180 days for an employer-sponsored or related plan. Proof of creditable coverage, which the enrollee has the right to obtain from a prior plan/issuer, is required. Anthem Blue Cross can help the enrollee obtain such proof from a prior plan/issuer, if needed. Most health coverage is creditable coverage, such as coverage under a group health plan (including COBRA continuation coverage), HMO, individual health insurance policy, Medicaid or Medicare. Creditable coverage does not include coverage consisting solely of excepted benefits, such as coverage solely for limited-scope dental or vision benefits.

**Term of Coverage:** Coverage remains in force as long as the group pays the required premium on time and remains eligible for membership. Coverage will cease if the group becomes ineligible for reasons including but not limited to: failure to provide accurate eligibility information or other breach of contract, material misrepresentations, nonpayment of premium, and failure to meet minimum contribution and participation requirements.

**Changes in Coverage (Benefit Modification):** Six months after their original effective date or once in a 12-month period, a group may request to change their plans' waiting period, employer contributions and/or number of plans offered. The request is subject to underwriting approval and must be received 30 days prior to the requested effective date. Certain other change requests become effective on the group's renewal (anniversary) and may be subject to underwriting review, including: Risk Adjustment Factor review initiated by employer, adding dependent coverage for opposite sex domestic partners under age 62 (which is not required by law, but Anthem Blue Cross gives employers the option of offering), and adding part-time employee coverage. A benefit modification does not change the group's original effective date or initiate a new rate guarantee period.

## Applying for coverage

To avoid delays in processing, please be sure to include all of the following when you submit your application:

- A copy of your agent's quote, based on final enrollment figures
- The appropriate Small Group Employer Application
- The appropriate Small Group Employee Application, for all employees

Note: Enrolling employees and their dependents must complete and sign the application. Employees and dependents declining coverage must complete the appropriate sections and sign the application.

- Most recent DE-6 Quarterly State Tax Withholding Statement with the status of all employees listed (e.g., terminated, waiving coverage, etc.)
- Sole Proprietors, Partners and Corporate Officers Statement, form #ECAFR2779T, for those not appearing on the DE-6 form
- Copy of last premium statement from former carrier, if applicable, Cal-COBRA/COBRA/FMLA Questionnaire, if applicable (included in Employer Application)
- Integrated MediComp Workers' Compensation Application, if applicable (included in the Integrated MediComp 24-Hour Coverage Brochure, form #ECABR3772C)
- A company check for 100% of the first month's Medical, Dental, Life and Vision premiums, made payable to Anthem Blue Cross

## Need more information about our plans?

Ask your Anthem Blue Cross agent for the following resources for more detailed information about particular products.

### **Medical & Life**

- EmployeeElect Health Care Plans guide and You Choose brochure
- EmployeeChoice Health Care Plans guide and You Choose brochure
- Summary of Features (separate brochures, one for each Medical plan)
- BeneFits Health Care Plans guide and You Choose brochure


### **Dental, Vision & Life**

- Specialty You Choose brochure
- Add Value with Dental, Vision and Life brochure

### **Workers' Compensation**

- It Just Makes Sense brochure

**Need help? Talk to your Anthem Blue Cross  
agent or call Customer Service  
at 800-627-8797**



**Small Business Health Care Plans**

Anthem Blue Cross of California and  
Anthem Blue Cross Life and Health Insurance Company

**Call your Anthem Blue Cross agent  
or 800-627-8797**



HEALTH

DENTAL

VISION

LIFE



**For more information call your  
Anthem Blue Cross agent or 800-627-8797**

Anthem Blue Cross and its branded affiliate, Anthem Blue Cross Life and Health Insurance Company, are NCQA Accredited health plans.

Health care plans provided by Anthem Blue Cross. Insurance plans provided by Anthem Blue Cross Life and Health Insurance Company. The Dental BeneFits plan, Blue View Vision and Term Life and Group Term Life and AD&D products are offered by Anthem Blue Cross Life and Health Insurance Company. Anthem Blue Cross is the trade name of Blue Cross of California. Independent licensees of the Blue Cross Association.

Workers' Compensation coverage is provided through EMPLOYERS<sup>®</sup> Compensation Insurance Company, a separate company that does not offer blue branded products or services. Administrative services for the Premium Only Plan (P.O.P.) are provided by Ceridian Benefit Services, Inc., an independent company that is not affiliated with Anthem Blue Cross, its affiliates or parent organization.

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