


Small Group Carrier Guidelines August, 2009	 Revision Date (8/13/2009)
Age Band or Composite:	Only age band rates available. Composite rates are not available for groups of 2 to 50 lives.
Carrier Wrap Requirements:	Blue Shield single or dual option plans may be offered with another carrier's HMO as long as Blue Shield enrolls the greater of 5 employees or 50% of the total active enrolled employees. PlanSelect multiple plan options may be offered if Blue Shield enrolls the greater of 5 employees or 75% of the total active enrolled employees. Blue Shield may decline to renew the group if participation levels falls below these levels during the plan year, and Blue Shield may conduct periodic audits to confirm participation is being met at these levels. Suite Deal program may be written with another carrier's HMO if Blue Shield enrolls the greater of 5 active employees or 50% of the enrolling group. May also offer the PPO Savings Plan 4800 plan only with another carrier's HMO plan with the following relaxed guidelines: Savings 4800 PPO is the only Blue Shield plan offered. Blue Shield must have 5 active employees or 20% of the overall enrolled number of employees (whichever is greater). Waivers are required for the employees that are enrolling in the other carrier's plan (under all circumstances).
Carve Out Criteria:	May be done non-guarantee issue if the group qualifies as a small employer under AB1672, and enrolls a minimum of 8 employees. Full health statements will be required and a list of the job classes covered is required with the carve out class identified. Shield must be the only carrier offered to carve out class. Industry restrictions apply to groups over 51 ees.
Dual Choice Guidelines:	May pair any one HMO with one PPO or with the POS plan for a dual choice package for groups of 2 more lives. Effective 4/1/09, this includes one of the two new Local Access reduced network HMO plans available in Southern California. Employer must contribute at least a defined contribution of \$100 or 50% of the total employee rate for the plans selected. See Multiple Plan Options section for rules to offer more than 2 plan designs.
Employer Eligibility:	The group must employ at least 2 and not more than 50 employees for 50% of the days in either the preceding calendar quarter or calendar year (use whichever test is more favorable to determine eligibility). 51% of the eligible employees must be employed in California. Group must also maintain a business license or appropriate state filing to conduct business in California. Also, the group cannot have terminated Blue Shield coverage within 12 months prior to the application to Blue Shield.
15th of the Mo. Effective Date:	Yes, but only if replacing coverage that is already on a 15th billing cycle. All application material must be received by the 20th working day of the month that coverage is applied for.
HRA Eligibility:	Yes. Only the following plans available with HRA funding: PPO Savings 2250/4500, PPO Savings 1800/3600, and Spectrum PPO Plan 3000. May be offered as part of Plan Select multiple plan selection. No HRA banking services are available from Blue Shield.
Multiple Plan Options:	Plan Select is available to groups with 2 or more eligible enrolled employees and allows the employer to offer any combination of plans from Blue Shield's product portfolio. The employer may select a minimum defined contribution of \$100 per enrolled employee or 50% of the total employee rates. Standard underwriting guidelines apply unless Blue shield is offered with another carrier's HMO, and then plan enrollment must equal the greater of 5 enrolled employees or 75% of the total number of enrolled employees in all Blue Shield plans. The Suite Deal program of plans is also available. Participation requirement is 65% of the eligible employees, and minimum contribution is \$100 or 50% of total employee rate. May offer the Suite Deal with other carrier's HMO if Shield gets greater of 5 employees or 50% of the enrolling group. New Local Access reduced network HMO plans are excluded from Plan Select at this time, but they are available under the Suite Deal (in this package, though, you may only offer either the full network HMOs or the Local Access HMOs, but not both together).
Out of State Guidelines:	May have no more than 49% of the group employed outside of the California service area. Those employees not in California may be written on a PPO plan and receive the PPO benefits when using BlueCard providers in their area. If a group has employees outside of California, then Blue Shield will also require a copy of their latest, full payroll register in addition to all regular enrollment material.
Over-age Dependent Children:	Unmarried children may remain eligible on parent's plan until they reach age 19. They may remain on parent's plan from age 19 through age 24 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:	For groups of 6 to 50 lives where owners and officers do not appear on the DE6, a completed signed Sole Proprietor, Partner, Corporate Officer Statement is required. For groups of 6 to 24 lives, appropriate filed business documents depending on business entity are also required (see below for document requirements) For 2 to 5 life groups or owner only groups, the following is also required: Sole Proprietorship: Sole Proprietor, Partner, Corporate Officer Statement & last Schedule C required with business license or Fictitious Business filing. If Schedule C has not been filed yet due to length of time in business, then proof of income is required with a copy of Business License or a Fictitious Business Filing. Partnerships: Sole Proprietor, Partner, Corporate Officer form and a copy of the most recent Schedule K-1 required for each partner with the partnership agreement, business license or Fictitious Business Filing. If they have not been in business long enough to have filed K-1s, then proof of income and a copy of the partnership agreement or a business license or Fictitious Business Name Filing is required "C" or "S" Corporation: Sole Proprietor, Partner, Corporate Officer form and the last Schedule K-1 (or W2) for each officer and a copy of the stamped Statement of Information or the filed Articles of Incorporation (but only if the names of all officers listed) are required. Foreign corporations also require a Certificate of Qualification or Statement by Foreign Corporation. If the company has not been in business long enough to have filed K-1s, then other proof of income is required in addition to the documents mentioned above. LLC: Sole Proprietor, Partner, Corporate Officer Statement and a recent K-1s (or other proof of income if the K-1s are not filed yet) for each owner and the Statement of Organization with the Operating Agreement are required. For groups of 2 to 50, a DE6 is required on all other employees. For all cases, Blue Shield may request additional documentation for owners not on a DE6 if their eligibility remains in question.
Participation Guidelines:	If Blue Shield is the only plan offered, then 75% of all eligible employees must enroll (excluding those covered under another employer's group plan). If employer pays 100% of the employee premium, then 100% of the eligible employees must participate. Participation is 65% of the eligible employees for the Suite Deal program. Groups are subject to non-renewal if participation falls below the required minimum.
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. If employer elects to cover part time employees, those employees must have worked at least 20 but no more than 29 hours per normal work week for 50% of the working days in the previous calendar quarter. Coverage must also be offered to all similarly situated individuals. Blue Shield may require payroll records to document the hours and required time periods.
RAF & Health Statement Guidelines:	2 - 5 lives enrolled = eligible for minimum 1.00 RAF (full health statements required). 6 - 9 lives enrolled = eligible for minimum .95 RAF (full health statements required). 10 - 14 lives enrolled = eligible for minimum .90 RAF (full health statements required). 15 + = minimum .90 available with an employer Medical Questionnaire.
Rating Areas:	Rates are based on the zip code of the employer's home office.
Spin Off Rules:	Blue Shield will write a spin off group & guarantee coverage if they are spinning off of an in force Blue Shield group & complete all regular enrollment material (including proper ownership documents). Two weeks of payroll preferred, but may proceed without it & submit it within 30 days. Coverage is still considered non-guarantee issue & full health statements are required (regardless of case size); the RAF may also range from .90 to 1.50. If spinning off of a non Blue Shield group, then they will be handled the same as any other start up group and will be considered on a non-guarantee issue basis if they have been in business less than 45 days in the previous calendar quarter.
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:	Blue Shield will now consider a start up group for guarantee issue as long as they meet all requirements for AB1672 except for the length of time in business. Must have been in business for at least 6 weeks and be able to provide the full 6 weeks of payroll for the time period preceding the effective date with at least 2 eligible employees on it. Note, individual payroll or pay stubs, estimated payroll and handwritten journals are not acceptable. Group must be a true start up company in order to qualify under this guideline for guarantee issue coverage.
1099 Workers:	Not Eligible
Union Carve Outs:	To qualify for guarantee issue coverage, total number of union & non-union employees must be under 50 lives, and employer must contribute to a labor fund in compliance with a collective bargaining agreement for the union employees. Copies of the union's Statement of ERISA rights will be required. If these requirements are not met, then the request for coverage on the non-union employees will be considered on a non-guarantee issues basis and the group will need to meet the requirements of a carve out. Union groups enrolling 15 or more employees with Blue Shield will be rated using the Employer Questionnaire (groups of 2 to 14 will still need to complete a full health statement).
Waivers:	Valid waivers include other group sponsored coverage through another employer, Champus/Tricare, Medicare, & no share-of-cost Medi-Cal.
	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.