

New Small Group Guidelines



For businesses with 1 to 50 full-time equivalent employees

Effective January 1, 2020

This information is not intended to constitute legal advice and should not be relied upon in lieu of consultation with appropriate legal advisers.

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Introduction

These are guidelines to Kaiser Permanente's general approach to evaluating and offering coverage to small business accounts. We want to keep you informed about our current guidelines; however, this document may be subject to change without notice as permitted under the law. The most current guidelines can be found in the broker section at account.kp.org.

To qualify for any Kaiser Permanente health plan coverage on a guaranteed-issue basis, an employer must meet and continue to meet certain requirements. These requirements are defined in the Affordable Care Act (ACA), the state small group law, and Kaiser Permanente's group eligibility requirements.

To be eligible to purchase small group health coverage from Kaiser Permanente, the employer must meet the applicable definition of a small group employer under federal and state law. During the preceding quarter, the employer must have employed an average of at least 1 but not more than 50 full-time equivalent employees (FTE)—and employ at least 1, but not more than 50 FTEs on the first day of the plan year.

These guidelines are not intended to be all-inclusive. Other policies and guidelines may apply.

The final decision to accept or decline a group for coverage, specify terms of coverage, or grant requests for changes is contingent upon applicable authorization from Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., subject to applicable law.

Brokers are not authorized to bind or guarantee coverage, premium rates, or effective dates. All prospective businesses should maintain their current coverage until notified by Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., of approval for coverage.

Eligibility

EMPLOYER ELIGIBILITY

- Small group plans effective since January 2014 are compliant with the ACA's requirement of health coverage. Insurers cannot use a group's medical history to set premiums for ACA-compliant small group plans.
- An employer must have at least 1 but no more than 50 FTE employees for the previous calendar quarter or previous calendar year.
- Kaiser Permanente will conduct applicable state and local online searches to validate filings and other documentation. A group may not be approved for coverage if a search is unsuccessful.
- Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., will initially determine group segment size based on the eligibility and enrollment data received and included as part of the initial application package submission.
 - » Full-time employees are permanent employees actively engaged in the conduct of business on a full-time basis. They must have a normal workweek averaging 30 hours per week over the course of a month, work at the employer's regular place of business, be subject to withholding on a W-2 form, and have completed their waiting period, if applicable.
 - » FTE employees are a combination of employees, each of whom individually is not a full-time employee (because they are not employed on average at least 30 hours per week) but who, in combination, are counted as the equivalent of a full-time employee.

Business location

- An employer must maintain business licensure and/or appropriate state filings allowing the business to conduct business or have employees living in the Mid-Atlantic States.
- If an employer's business is located outside the geographic boundaries of Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.'s service area, only employees living in our service area (based on their home ZIP+4 code) will be eligible for coverage. This is referred to as the **Live/Work** rule. If a group located in our service area has employees who live, work, or reside outside the service area, point-of-service (POS) offerings are available.
- If the group's home office is located outside the service area, the group's premium billing is sent to that location, and the group has only staff working within our service area remotely from their homes, then the employees' home addresses will determine the group's situs. Where these employees reside in multiple jurisdictions, situs is based on the address of the most senior employee. No group may have more than one situs.

Valid and active business

- The group must be a legal entity that is actively engaged in a full-time business activity and has the legal capacity to sponsor a group health plan on behalf of employees. The group must have the legal capacity to execute a contract.
- An eligible small group must have a valid federal tax identification number (TIN/EIN #) and provide all required legal documentation within the state or jurisdiction where they are applying for coverage.

Coverage requirements

- An employer must offer health plan coverage to 100% of its eligible employees. Carve-outs are not permitted.
- The business must not have been formed primarily for the purpose of buying a health plan or coverage.

Startup groups

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. considers startup groups that meet all the requirements.

- A startup business (i.e., a business operating for six weeks or less) is required to provide the Articles of Corporation or LLC documentation that the business is a legally recognized business entity with a valid employer/employee relationship with all employees applying for coverage during the initial enrollment period.
- The documentation collected is used to help verify that a prospective customer is an active, legitimate small business eligible for small group coverage. The information is also used to demonstrate that an owner, officer, or partner is actively engaged in the business and eligible for coverage. Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. will conduct applicable state and local online searches to validate filings and other documentation. A group may not be approved for coverage if a search is unsuccessful.

Common ownership

Regardless of how related businesses actually file tax returns, if a group of businesses held under common ownership and common control are eligible to file consolidated tax returns, they may be considered one employer.

As permitted by federal and state law, Kaiser Permanente will allow businesses with more than 50% common ownership (i.e., 51% or greater) to be combined if requested by the owner or an officer of the controlling group. Common ownership is established when one person or entity retains more than 50% ownership across affiliated companies. Corporations, LLCs, partnerships, and sole proprietorships are all subject to this rule, and this rule is applicable to all other defined size segments.

Family or marital relationships do not automatically imply common ownership among different and distinct business groups. The business applying for coverage may need to consult with its attorney, accountant, or regulatory consultant to see if the businesses held through ownership interest meet the criteria established to permit enrollment as a single employer group.

Unless a subsequent change in ownership or ownership structure makes the combination of affiliates or subsidiaries ineligible, the decision to enroll as a combined account or as separate accounts is irrevocable.

Workers' compensation

- The employer must have a workers' compensation policy when required by law. The law requires that most employers carry workers' compensation insurance in order to cover their workers in the event of a work injury.
- **Virginia State law** requires that an employer who regularly employs more than two part-time or full-time employees carry Virginia workers' compensation coverage. If a business hires subcontractors to perform the same trade, business, or occupation, or to fulfill a contract of the business, the subcontractor's employees are included in determining the total number of employees. For those employers required to have coverage, it is mandatory. There are no waivers or exceptions.
- **Maryland State law** requires that all employers having one or more employees, full or part-time, are required to have workers' compensation coverage for the benefit of their employees. With few exceptions, every employer in the State of Maryland with one or more employees is required by law to provide workers' compensation coverage for their employees. An employer or employee cannot waive provisions of the workers' compensation law.
- To properly count employees and determine if a business needs coverage, it is important to know who counts as an employee. All of the following are considered employees:
 - » Corporate officers and LLC managers, even if they are not performing regular work for the business or earning a regular salary
 - » Family members who perform work for the business
 - » Undocumented workers
 - » Temporary, seasonal, and part-time workers
 - » Minors
 - » Workers who perform work for churches, charities, and nonprofits

Exemptions are:

- » Virginia-based small groups with fewer than three employees (groups composed of two or fewer common-law employees)
- » Maryland-based sole proprietorships, partnerships, or certain scheduled corporations composed of only those with ownership rights, with no employees other than the owner and/or owner's spouse
- » Certain agricultural-based businesses
- » Embassies

Professional employer organizations (PEOs)

Professional employer organizations may be approved as small groups if they meet the requirements of the small group definition.

In addition, in Virginia, small businesses with co-employed or leased employees may also offer coverage to their co-employed or leased staff on the basis of the co-employment relationship.

In Maryland, state law requires Kaiser Permanente to offer coverage to small businesses with co-employed or leased employees; Kaiser Permanente may not approve the co-employed or leased staff of Maryland small groups through a PEO.

EMPLOYEE ELIGIBILITY

Full-time employees

To be eligible as a **full-time employee**, a person is required to be:

- A permanent employee who is not a spouse or legal domestic partner of a sole proprietor owner
- A partner or owner who is actively engaged and regularly scheduled on a full-time basis in the conduct of the business of the small employer
- A person with a normal workweek averaging 30 hours, through the small employer's regular places of business
- Subject to withholding on a W-2 form

To be eligible as a full-time employee, a person is also required to have met their waiting period, if applicable. An employee may only select products offered by the group.

Part-time employees

Employers can choose to offer coverage to employees who work at least 20 hours a week in Virginia and 17.5 hours per week in Maryland.

To be eligible as a part-time employee, a person must be:

- An active, permanent employee who is actively engaged in the conduct of the business of the small employer and not more than 29 hours per a normal workweek, at the small employer's regular places of business.
- If coverage is offered to one or more part-time employees, then coverage must be offered to all part-time employees working at least the state minimum guidelines of hours per week.

Waiving coverage

All eligible employees who complete a Kaiser Permanente waiver of coverage due to other coverage will not be attributed to the employer for participation calculation purposes. Examples of other coverage that would support a valid waiver include the following: Other group coverage (spousal and parental coverage where the employee is a dependent, or employee is enrolled through another employer); Medicare; Medicaid; Department of Veterans Affairs (VA); TRICARE/ChampVA; retiree coverage through a former employer; the Indian Health Service; and individual coverage purchased from Kaiser Permanente or any other carrier.

When using the KEEL method, you do not need to include the waivers.

Dependent eligibility

Dependent coverage is available to the following individuals if the employer group allows enrollment of dependents:

- Legal spouse; spouse includes legal domestic partners who meet the employer group's eligibility requirements for domestic partnerships
- An employee's or a spouse's children (including adopted or placed for adoption children) who are under age 26
- Children for whom the employee or spouse is the court-appointed guardian if they are under age 26
- Children whose parent is a dependent under the employee's family coverage (in other words, eligible grandchildren of the subscriber), including adopted children or children placed with the employee's dependent for adoption, but not including foster children, if they meet all of the following requirements:
 - » They are under age 26.
 - » They are not married and do not have a domestic partner.
 - » They receive all of their support and maintenance from the employee or spouse.
 - » They permanently live with the employee or spouse.
- Disabled dependents who meet dependent eligibility rules and satisfy incapacity and financial reliance requirements to be certified as **disabled dependents** under Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.'s policy and applicable state legal requirements. The age limit does not apply to disabled dependents.

An individual is not permitted to be covered as both an employee and a dependent under the same employer-sponsored plan, nor may a child, eligible for coverage through both parents, be covered as a dependent under both parents under the same plan.

Dependents may enroll only in products selected by the employee-subscriber.

Independent contractors

It is the choice of the employer to consider individuals to be eligible for coverage. Should the employer choose to include contractors to the group health plan, Kaiser Permanente requires the employer and the independent contractor to meet the following submission guidelines:

1. Provide a copy of the 1099-Misc tax document from the previous year or a Schedule C (Form 1040).
2. Provide a copy of the Declaration Page from the employment agreement (reflecting the start date).
3. Contractors must have been employed for at least three months prior to applying for insurance.
4. If taxes have not been filed for the previous year, then proof of compensation or pay stubs for the previous three months will be required in addition to the Declaration Page of the employment agreement.

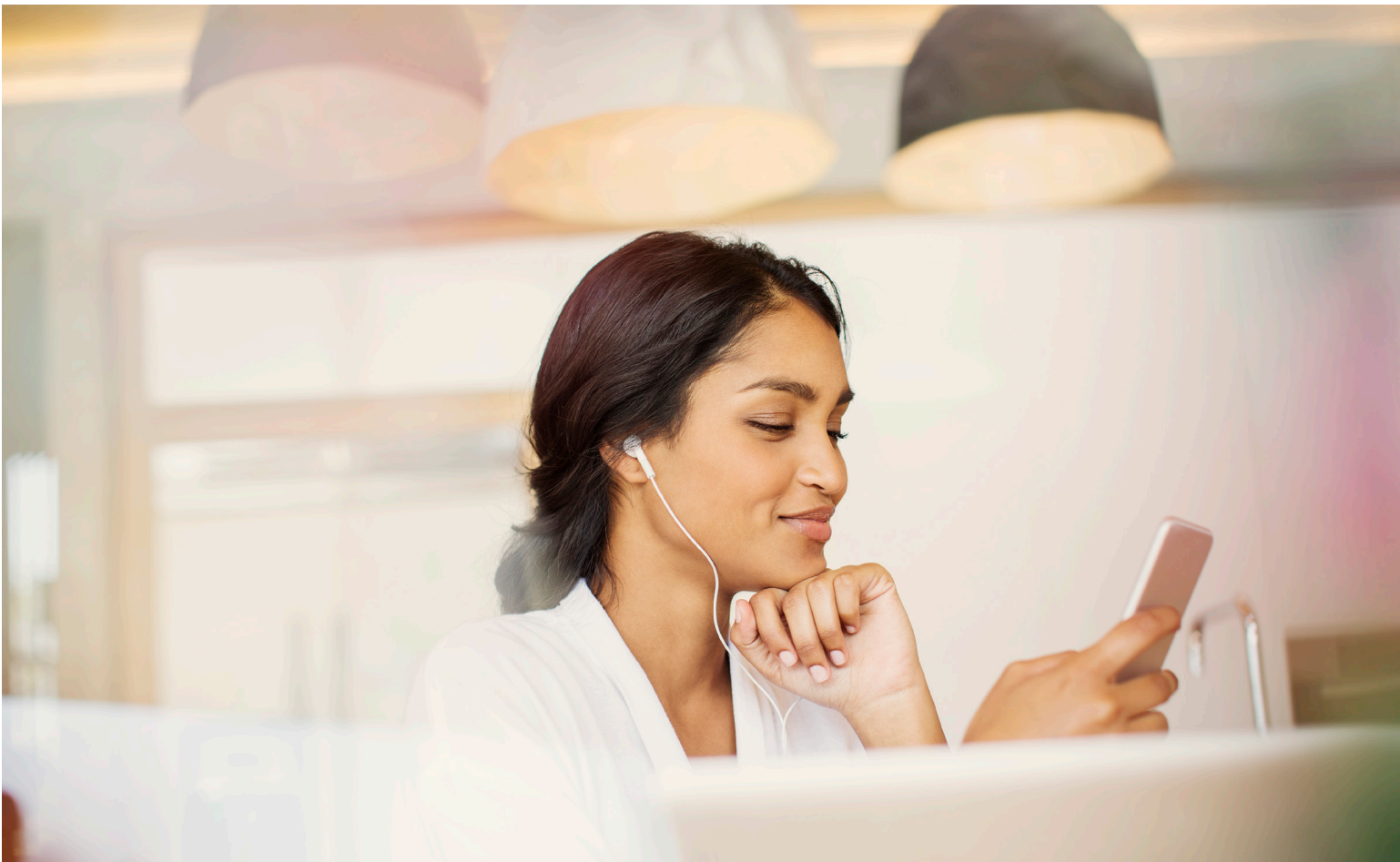
Getting started

An employer must provide proper documentation to prove it qualifies as a small business under the state law. The documentation required by Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., is highlighted in the new group enrollment checklist below and further detailed in the business and proof of ownership documentation section. Keep this checklist handy to make sure your clients have all the forms and documents they need for their submission, plus the initial premium payment. Visit **account.kp.org** to download the most current versions of our forms.

Enrolling with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. is quick and easy when you follow the steps below. Please submit the following documents to **mas-small-group-new-business@kp.org**. Make sure that each document is completed and signed so we may provide quick approval and enrollment for the group.

Please submit completed documents for new groups prior to the first business day of the effective-date month. Late submissions and incomplete or missing information will delay processing the new groups.

The most current versions of the following documents are required for new group submissions. Go to **account.kp.org** for the most current forms, or use the forms validation matrix tool to verify the most current version. Type or use black ink for legibility, print neatly, and email the completed submissions to **mas-small-group-new-business@kp.org**.



NEW GROUP ENROLLMENT CHECKLIST

☐ • Business eligibility

The employer group must have a defined physical location or employees working within the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. service area and maintain an active business license.

☐ • Completed group application

Complete the group application, including a dated signature of the authorized contract signer or interested party, *within ninety (90) days prior to the effective date*. Complete all broker and general agent information.

☐ • Quote

Include a copy of the signed final group quote.

☐ **Composite Premium Rates:** A minimum of two subscribers are required in each plan for which a group is billed using composite premium-rate equivalent methodology.

☐ • First month's premium

☐ EFT form. The group will be notified when the payment is processed.

☐ Premium checks must be mailed to:

» Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.,
P.O. Box 6306, 2101 E. Jefferson St., Rockville, MD 20852

☐ • Most recent Quarterly Wage & Tax Statement

Groups that enroll six or more subscribers are not required to submit a Quarterly Wage & Tax Statement (QWTS). The QWTS must be the most recent and include all pages. Employees listed on the form must be annotated by the group administrator as follows:

P/T = Part-time

T = Terminated

E = Enrolling

W = Waiving

WP= Waiting period

☐ Most recently issued payroll records; sole proprietor: most recent tax document.

☐ Two most recent pay stubs and a W-4 form for newly hired employees not on the QWTS.

☐ Employer letter (signed and dated) if owner is taking a draw from the company and their name does not appear on the QWTS.

☐ IRS Form 1040 with Schedule C or K1 for sole proprietors, partners, and corporate officers not appearing on the QWTS.

☐ Articles of Corporation or LLC documentation for startup small business.

☐ • Kaiser Electronic Eligibility List (KEEL) or employee enrollment forms

☐ • Employee waiver forms

Employee waiver forms do not need to be submitted to Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. if a KEEL was provided. Employer groups should obtain and maintain employee waivers.

ADDITIONAL ENROLLMENT TIPS

1. Service area

Confirm group has a defined physical location or employees working within the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. service area.

2. Business eligibility verification

Virginia Business License Information System research site:

<https://sccefile.scc.virginia.gov/Find/Business>

Maryland Business License Information System research site:

<https://egov.maryland.gov/BusinessExpress/EntitySearch>

3. Full-time equivalency

Confirm employer group has 50 or fewer full-time equivalent (FTE) employees.

www.healthcare.gov/shop-calculators-fte

4. Quarterly Wage & Tax Statements

Maryland: Form DLLR/DUI 16

Virginia: Form VEC FC-21

5. Declining coverage – participation requirement

A minimum of all net eligible employees must have health plan coverage (60% in Maryland, 70% in Virginia).

6. Summary of Benefits and Coverage (SBC) for Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. plans

<https://account.kp.org/broker-employer/resources/broker/floating/summary-benefits-coverage>

7. Prior group with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.

Groups that were previously with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., will be responsible for paying any outstanding premium balance. Groups that have cancelled with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., within six months are not considered New Business and should not be submitted to Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.'s Account Management team.

8. Sales quoting

<https://mas.kpquote.com>

9. New Small Group Guidelines

<https://account.kp.org/broker-employer/resources/broker?region=MID>

Questions? See your Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. sales representative or call **866-523-0924**.

Policy effective date

Policy effective dates can be the 1st or 15th day of the month.

- Final rates are based on actual group enrollment for a specific policy effective date. A new rate quote may be required for a change or postponement of a policy's effective date. Rates may vary by policy effective date.
- Existing employees and their dependents (if the employer offers dependent coverage) are eligible for coverage on the employer's effective date.
- An employer group can make a plan change up to the 30th day following the group's effective date.

Submission deadlines

The coverage effective date can be either the 1st or 15th day of the month. The complete group submission must be received by Kaiser Permanente by noon on the effective date. If not received by the deadline, the new group submission will be rolled to the next effective date. If an incomplete or late submission is rejected, the group will be required to resubmit a new application for coverage.

Note: If the submission deadline falls on a Saturday, Sunday, or holiday, Kaiser Permanente will extend the submission deadline date until the next business day within that applicable month.

New business documentation

Tax information defined

The documentation collected is used to help verify that a prospective customer is an active, legitimate small business eligible for small group coverage. The information is also used to demonstrate that an owner, officer, or partner is actively engaged in the business and eligible for coverage. Kaiser Permanente will conduct applicable state and local online searches to validate filings and other documentation. A group may not be approved for coverage if a search is unsuccessful. **Submit the most current documents to avoid processing delays.**

Small groups that enroll six or more subscribers are not required to submit a Quarterly Wage & Tax Statement (QWTS) when submitting an original application for coverage unless it is deemed necessary based on other determining factors. For groups with five or fewer subscribing employees at the time of original application submission, Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. will request a QWTS or alternative documentation to verify that the employer group is a valid small group.

Quarterly Wage & Tax Statement forms defined by jurisdiction

- Virginia: VEC Employer's Quarterly Tax Statement; Form VEC FC-21
- Maryland: Unemployment Insurance Quarterly Contribution Report DLLR/DUI 16

Employees who have been recently terminated or who may have had their hours reduced to part-time status should be noted accordingly on the QWTS:

- PT (Part Time)
- E (Enrolling)
- W (Waiving)
- T (Terminated)
- WP (Waiting Period)
- S (Seasonal)

Any handwritten comments, corrections, or annotations added to the QWTS should be signed or initialed and dated by the employer or by an authorized agent. Annotations included for review during the initial application period will be considered factual representations authorized by the employer group for consideration by Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. If a QWTS is not available, a copy of the most recently issued payroll records may be used as a substitute.

Newly hired employees

Newly hired employees should submit the following at the time of application to verify that an employer/employee relationship exists and is appropriately documented, if not showing on the most recent QWTS:

- Offer Letter or W4 (if employed for less than 30 days)
- W4 and pay stub (if employed for more than 30 days)

Sole proprietorship and partnerships

Kaiser Permanente will only recognize a single owner for a sole proprietorship as defined by the IRS. Sole proprietors or partners not appearing on the QWTS who are applying for coverage must provide one of the document sets identified below:

- IRS Form 1040 with Schedule C, SE, F, or K1
- IRS Form 1065 Schedule K-1
- IRS Form 1120 S Schedule K-1 with Schedule E (Form 1040)
- Partnership agreement if established within most recent two-year period

Enrolling owners not on the most recent State Quarterly Wage & Tax Statement or payroll report are required to submit one item from the bulleted list above.

Nonprofit and tax-exempt corporations

- Form 990 with copy of EIN certificate and payroll

Church groups and religious entities

Churches offering coverage that are unable to provide a QWTS are encouraged to provide one of the following:

- Form 941 with copy of the payroll records
- Form 8274 with copy of EIN certificate and payroll documents

Farms and farming entities

- Schedule F with payroll documents

Independent contractors

- Copy of the 1099-Misc tax document from previous year or a Schedule C (Form 1040).
- Copy of the Declaration Page from employment agreement (reflecting the start date).
- Employee must have been employed for at least three months prior to applying for insurance.
- If taxes have not been filed for the previous year, then proof of compensation or pay stubs for the previous three months will be required in addition to the Declaration Page of the employment agreement.

Startup groups

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. considers startup groups that meet all the requirements. The documentation collected is used to help verify that a prospective customer is an active, legitimate small business eligible for small group coverage. The information is also used to demonstrate that an owner, officer, or partner is actively engaged in the business and eligible for coverage. Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. will conduct applicable state and local online searches to validate filings and other documentation. A group may not be approved for coverage if a search is unsuccessful.

- A startup business (i.e., a business operating for six weeks or less) is required to provide the Articles of Corporation or LLC documentation that the business is a legally recognized business entity with a valid employer/employee relationship with all employees applying for coverage during the initial enrollment period. Startup groups are required to provide payroll records for employees and other applicable documents, depending on the filing status, indicating the length of time the group has been in business. These documents must show one or more eligible employees on the effective date of coverage. Payroll records must include all pages for all pay periods and list the following:
 - » Business name
 - » Dates of pay periods
 - » Employee names, wages paid, withholdings, and grand totals
- Newly hired employees should submit the following at the time of application to verify that an employer/employee relationship exists and is appropriately documented.
 - » Offer Letter or W4 (if employed for less than 30 days)
 - » W4 and pay stub (if employed for more than 30 days)

Professional employer organizations (PEOs) required documents

PEO applying for coverage:

- Quarterly Wage & Tax Statement for all employees (including co-employed/leased employees) for all groups sized 1 to 50
- Co-employment/lease agreement with PEO
- Payroll from the PEO (for staff who are co-employed or leased)

Groups based outside the service area required documents

- QWTS for employees within the service area
- Proof of residence for employees residing in the service area
- For co-employed/leased employees in the service area, copy of the co-employment/lease agreement

Embassies or agencies of foreign governments

A letter printed on embassy letterhead and signed by a representative granted binding authority by the embassy, certifying that the embassy is currently recognized by the United States Department of State and that all subscribers are employees of the embassy. The certifying letter should be dated within 60 days of coverage application submission.

Each group submission will be reviewed to determine if the submitted documents are sufficient under federal and state law.

Type of Business	Acceptable Tax Documents
Newly hired employees	<ul style="list-style-type: none"> • W4 or offer letter (if employed for less than 30 days) • W4 and pay stub (if employed for more than 30 days)
Sole proprietor <ul style="list-style-type: none"> • Franchise • Limited liability company 	<ul style="list-style-type: none"> • IRS Form 1040 with Schedule C, SE, F, or K1 • IRS Form 1065 Schedule K-1 • IRS Form 1120 S Schedule K-1 with Schedule E (Form 1040) • Partnership agreement if established within most recent two-year period
Nonprofit and tax-exempt corporations <ul style="list-style-type: none"> • 501(c)(3), (4), (5), and (6) 	<ul style="list-style-type: none"> • Form 990 with copy of EIN certificate and payroll
Church groups and religious entities <ul style="list-style-type: none"> • 501 series entities 	<ul style="list-style-type: none"> • Form 941 with copy of the payroll records • Form 8274 with copy of EIN certificate and payroll documents
Farms and farming entities <ul style="list-style-type: none"> • Crop, diary, and agra-service entities 	<ul style="list-style-type: none"> • Schedule F with payroll documents
Independent contractors <ul style="list-style-type: none"> • 1099 	
Startup groups	<ul style="list-style-type: none"> • Articles of Incorporation or LLC Papers Operating Agreement
Professional employer organizations (PEOs)	<ul style="list-style-type: none"> • Quarterly Wage & Tax Statement for all employees (including co-employed/leased employees) for all groups sized 1 to 50 • Co-employment/lease agreement with PEO • Payroll from the PEO (for staff who are co-employed or leased)
Groups based outside our service area	<ul style="list-style-type: none"> • QWTS for employees within the service area • Proof of residence for employees residing in the service area • For co-employed/leased employees in the service area, copy of the co-employment/lease agreement.
Embassies or agencies of foreign governments	<ul style="list-style-type: none"> • A letter printed on embassy letterhead and signed by a representative granted binding authority by the embassy, certifying that the embassy is currently recognized by the United States Department of State and that all subscribers are employees of the embassy. The certifying letter should be dated within 60 days of coverage application submission.

General guidelines

Minimum participation

- Maryland: 60% minimum participation requirement
- Virginia: 70% minimum participation requirement

Minimum participation and employer contribution requirements are waived for small employers that apply during the annual open enrollment period from November 15 through December 15 each year. This annual open enrollment period applies to small employers that apply through the SHOP or directly through a carrier, and is reserved exclusively for January 1 coverage effective dates.

Contributions by employer

Virginia: A small group is required to contribute a minimum of 50% toward the total premium cost of the employee-only premium, or 50% of the total cost of the employee-only premium for the lowest-priced product option sponsored by the employer group. Employer contribution requirements are waived for small employers that apply during the annual open enrollment period from November 15 through December 15 each year.

Maryland only: In accordance with Maryland law, carriers, including Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., cannot impose a minimum contribution requirement on small groups.

Policy effective date

Policy effective dates are the 1st or 15th of the month.

- Final rates are based on actual group enrollment for a specific policy effective date. A new rate quote may be required for a change or postponement of a policy's effective date. Rates may vary by policy effective date.
- Existing employees and their dependents (if the employer offers dependent coverage) are eligible for coverage on the employer's effective date.
- An employer group can make a plan change up to the 30th day following the group's effective date.
- A small group case submission will not be approved for any requested effective date that is prior to the signature date obtained and recorded by the employer. Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. will not support the backdating of employer small group applications (i.e., small group employer applications must be signed and dated prior to the effective date of coverage).

Waiting periods

If the employer establishes a waiting period, the following criteria must be met:

- It is the employer's responsibility to ensure that the group does not have a waiting period of more than 90 days from the date of hire, in accordance with the ACA.
- Employers can require new employees to complete an orientation period as long as it is no more than 30 days. Any waiting period would begin only after completion of the orientation period. It is the employer's responsibility to administer and track these requirements.
- The effective date of coverage for new employees and their eligible dependents is always on the first of the month, and it cannot exceed the maximum 90-day waiting period.

Ineligible categories

The following employer classifications do not meet small group legal requirements and are ineligible employers. Employers with classifications not listed below may also be ineligible if they fail other requirements. The absence of a category in this list does not make it eligible by default.

- **A group that employs 51 or more full-time equivalent employees** – Groups with 51 or more full-time-equivalent employees can purchase health coverage in the large group market.
- **Multiple employer trusts** – Employers brought together under a master contract issued to a trustee under a trust agreement for the purpose of providing coverage.
- **Union trust plans** – Union employees under a labor trust fund in which the employer contributes to the fund but does not own the master contract.
- **Taft-Hartley groups** – Groups participating in trusts established under the authority of the Labor Management Relations Act of 1948. Group contracts for coverage are issued to the trustees representing one or more unions and/or employers, usually in connection with collective bargaining agreements.
- **Retirees** – Former employees who may be eligible for retiree benefits if offered by the employer after meeting age and other requirements.
- **Seasonal, temporary, and substitute employees** – Employees who are not hired on a permanent basis or who have a planned termination date.
- **Dormant or inactive companies** – A group that does not maintain an active business license to conduct business or is not actively engaged in commerce within the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. service area.
- **A group formed for the express purpose of purchasing health insurance coverage.**
- **A group that generates only rental income** unless ancillary services are provided to multiple units and the group has at least one common-law employee eligible to enroll in small group coverage.

Note: Existing Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. accounts will not be considered new business unless the group is deemed eligible by Kaiser Permanente's small group new business department.

Requirements for other group categories

Groups based outside our service area

- If the business is located outside our service area, rates are based on the jurisdiction where the highest number of covered employees reside.
- A post office box or other purchased address cannot be used as the business's address. If we discover that a business is using an address other than its physical location, we may rescind or terminate its coverage.
- If the group's home office is located outside the service area and the group's premium billing is sent to that location, then the location within the service area with the largest concentration of employees shall be deemed the group's situs.
- If the group's home office is located outside the service area, the group's premium billing is sent to that location, and the group has only staff working within our service area remotely from their homes, then the employees' home addresses will determine the group's situs. Where these employees reside in multiple jurisdictions, situs is based on the address of the most senior employee. No group may have more than one situs.
- If a group's sole or most senior employee lives in DC and works from home, the group should consult the DC Health Insurance Marketplace (DC Health Link) for coverage.

Out-of-area employees

- Out-of-area employees include those employees who live, work, or reside outside of the defined Kaiser Permanente service area. Based on the employer offering coverage to part-time employees, Kaiser Permanente will consider all full-time or full-time equivalents eligible for coverage as long as the employees are considered common-law employees and receive their paycheck from the employer's place of business located within the Kaiser Permanente service area.
- In addition to other product offerings, a small group POS option is also available for employees who live or work outside of our defined service area. The POS product may be chosen as the primary product for enrollment by any employee considered eligible for participation.

HSA/HRA qualified plans

- See your Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. sales representative or call **866-523-0924**.

Dental and vision

Child dental

- All metal HMO and PPO plans cover the ACA-defined essential health benefits, which include child dental services.
- Child dental services apply to all members under 19 years old. If a child turns 19 before the current contract renews, coverage is extended until the contract renewal date.

Adult dental riders (optional)

- Additional adult dental riders can only be purchased when the group first enrolls or at renewal.
- Additional adult dental riders are only available to those enrolled in a Kaiser Permanente medical plan and who are over the age of 19.
- When a group offers an adult dental rider, 100% of subscribers and eligible dependents must enroll.
- Additional dental riders:
 - » Adult Dental HMO plan
 - » Adult POS Dental plans
 - » Adult PPO Dental plan
 - » Adult Second Level POS plan

Cosmetic dental services

Kaiser Permanente small group plans offer discounted fees for cosmetic and other dental services including:

- Teeth whitening
- Crowns
- Veneers
- Bonding
- Invisalign
- Orthodontics
- And more

Vision

All small group plans include:

- Ophthalmology
- Optometry
- Optical (includes a wide selection of eyewear)

All eye care services are conveniently located in several of our medical centers.

Dental and vision guides

You can find dental and vision guides on BrokerNet.



General rating information

Plan rates include many variables, such as benefit costs associated with the delivery of health care for all our small group customers as a whole. Rates are adjusted according to rating factors applicable to the plan type. Final rates are based on actual group enrollment. They are **guaranteed for 12 months** and are valid only from the effective date contained in the group contract.

Plan rating

Plan rates are calculated using two factors, rating area and member age. Claims or utilization experience are not used to determine member premium rates. Only the oldest three children in a family under the age of 21 are billed for health plans. All members in the same family must select the same health plan and dental rider. To include an adult dental rider, please add the rate for the dental rider selected per eligible member per month to the total premium. The dental rider rate does not apply to individuals under the age of 19.

- **Rating area:**

- » If the business is located inside our service area, rates are based on the physical address of the business.
- » If the business is located outside our service area, we will use the most senior employee's jurisdiction.
- » A post office box or other purchased address cannot be used as the business's address. If we discover that a group is using an address other than the business's physical location, we may rescind or terminate their coverage.

- **Member age:**

- » Each family member has a separate rate based on his or her age as of the effective date of the group contract. This rate will be used for the full contract year and updated yearly at renewal.
- » If a family has more than three children under age 21, the premium for each additional child after the third will be \$0.

Composite premium rating

Composite premium rating uses a four-tier coverage structure: Employee Only; Employee and Spouse; Employee and Children; and Family. The total member-level premium for a group is calculated, then allocated to enrolled employees, based on the family's composition.

If composite premium rates are elected, the monthly premium for each of the tiers will remain in effect throughout the entire policy period and will not increase or decrease to reflect changes in the group's census.

At least two subscribers must enroll in each plan offered in order to be eligible for composite premium rating.



Billing

Paid as billed

All small groups will receive a monthly invoice. Each group must pay 100% of the total amount listed as due on their invoice. They must not alter premium payments to account for any changes. Any adjustments that have been made to the account, such as terminations or enrollments, will be reflected in the next billing cycle.

Groups generally will receive their invoice between the second and third weeks of the month. Changes processed prior to billing will be reflected on their current invoice. Any changes received after the billing cycle has commenced will be reflected on the following month's invoice. Enrollment changes and terminations should be reflected correctly on the next invoice.

Proration rules

All small group contracts will be set up on a daily proration. The members will be enrolled or terminated based on the date of the written request. The group will be charged for the days in the month in which the member is active.

Re-enrollment, reinstatement, and termination

Re-enrollment

If coverage has been terminated for over six months (by the group or health plan), then the employer group may request a new effective date for coverage to re-enroll as a new group. A new group number and contract will be issued.

Reinstatement

For groups where Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. coverage was terminated for less than 60 days, the group may request reinstatement of its prior contract to avoid a gap in coverage. Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. will consider this request provided unpaid premiums are paid and the group qualifies for small group coverage. Groups that have canceled with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc. within six months are not considered new business and should be submitted to Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.'s Account Management team.



Group termination

Your group may terminate its Group Agreement, effective the day before any anniversary date, by giving at least 60 days' prior written notice to Kaiser Permanente. Please contact your account manager if you have any questions.

Please note: Discontinuation of premium payments is not considered notification of termination of a group policy. Groups will be responsible for all premium payments through the end of the contract period.

Termination by Kaiser Permanente

Kaiser Permanente may terminate a group for any of the following reasons:

- Fraud or intentionally furnishing incorrect or incomplete information
- Violation of contribution or participation requirements
- No eligible person lives, resides, or works in the service area (does not apply to DC SHOP)
- Nonpayment of premium
- Nonacceptance of amendments
- Failure to meet minimum contribution, participation, or other offering guideline requirements

Requesting termination

The employer can request termination by emailing the Account Manager. Upon receipt of a voluntary group termination, we will send you a voluntary group termination letter acknowledging the request and will notify the employer by mail when the termination of the group coverage is completed.

Premium grace period

- Except for the binder payment for a group's policy, a 31-day grace period applies to all payments. If payment is not made during the grace period, Kaiser Permanente may terminate your group coverage.
- Groups that are terminated for nonpayment must pay all premiums owed within 30 days before the contract will be considered for reinstatement.
- Groups that are terminated for nonpayment twice within a 12-month period will not be eligible for reinstatement. You must reapply for coverage.

SHOP

The Small Business Health Options Program (SHOP) helps small businesses with 1 to 50 full-time equivalent employees provide group insurance to their employees. It is also generally the only way to access the Small Business Health Care Tax Credit, which can save eligible employers up to 50% of their employer contributions. HealthCare.gov/small-businesses is the resource for SHOP information, such as SHOP eligibility, available plans, potential savings through the Small Business Health Care Tax Credit, and more.

Below are the links to enroll for each jurisdiction:

Maryland:

<https://www.marylandhealthconnection.gov/>

District of Columbia:

<https://dchealthlink.com>

Virginia:

<https://HealthCare.gov>



Kaiser Permanente broker resource website home address:
account.kp.org

Kaiser Permanente website home address:
kp.org

Kaiser Permanente small group online quoting tool address:
mas.kpquote.com

Kaiser Permanente small group submission:
MAS-Small-Group-New-Business@kp.org

