

Recertification Information

FOR SMALL BUSINESSES WITH 1 TO 100 EMPLOYEES

CALIFORNIA



Recertification Information

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Kaiser Permanente and the recertification process

Periodically, employer groups need to recertify that:

- They still meet their eligibility requirements as a small business
- Employees are eligible and have a bona fide employee relationship
- All other applicable underwriting guidelines are satisfied

For us to verify that your group continues to meet the small business criteria, you need to send us some documentation.

1. You need to show that your business meets the qualifications for small group coverage under the Affordable Care Act (ACA) and California small group legal requirements.

Your documentation should demonstrate that all your Kaiser Permanente health plan subscribers are either owners or employees, and that you have at least one W-2 employee (who's not the owner, spouse, or legal domestic partner, and who's listed on your DE 9C) and no more than 100 full-time and full-time-equivalent (FTE) employees who work an average of 30 hours per week.

- 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 your regular place of business, and be subject to withholding on a W-2 form. If they've been subject to a waiting period, they need to have met it.
- FTE refers to a combination of employees who aren't employed full-time (30 hours per week) individually, but who are counted altogether as the equivalent of a full-time employee.

2. You need to show that your business meets Kaiser Permanente's minimum participation requirement.

This means that at least 50% of your eligible employees must be covered by group health coverage. An employee is considered covered by a group health plan if he or she is covered through his or her own or spouse's employer, or through Medicare, COBRA, etc.

No need to worry. We've outlined all the forms you'll need in the [recertification checklist](#), found on page 6.

FOR MORE INFORMATION

For more information on policy and qualification guidelines for employers offering Kaiser Permanente small business coverage, review the Small Business Guidelines found on the [Forms & Documents](#) page on business.kp.org.

California small group legal requirements include California Small Group Reform Act Assembly Bill (AB) 1672 (1992), amended by AB 1083 (2012) and set forth in the California Health and Safety Code commencing with Section 1357.

Frequently asked questions

Q: Why does my group need to recertify? Have I done something wrong?

A: Not at all. This is a normal part of maintaining your group's health coverage – something Kaiser Permanente must do to stay in compliance with state laws. All small business groups must be recertified periodically.

Q: What does recertification mean?

A: When you recertify, you're documenting that your group still meets the state of California's definition of a small business. Your group must have 1 to 100 full-time or full-time-equivalent (FTE) employees for at least 50% of the working days from the previous quarter or calendar year. This doesn't include owners, spouses, or legal domestic partners. At least 50% of your group's eligible employees must have some type of group health coverage. You also must meet our minimum contribution requirements. Recertifications are necessary to comply with California small group legal requirements.

Q: What is an eligible employee?

A: To be eligible as a **full-time** employee, a person must be a permanent employee actively engaged in the conduct of business on a full-time basis. They must have a normal work week averaging 30 hours per week over the course of a month, work at your regular place of business, and be subject to withholding on a W-2 form. If they've been subject to a waiting period, they need to have met it.

To be eligible as a **part-time** employee, a person must be a permanent employee who's actively engaged in the conduct of business and works between 20 and 29 hours per a normal workweek at their employer's regular place of business.

Q: Is it mandatory for a group to participate in recertification?

A: If you'd like to keep Kaiser Permanente coverage for your group, you must recertify. Otherwise, we'll have to terminate coverage for your group.

Q: How will this affect my employees?

A: Your employees will only be affected if you don't provide the documentation for recertification. If you don't recertify, your group will lose its Kaiser Permanente health coverage. Otherwise, the recertification process won't affect your employees at all.

HOW TO SUBMIT YOUR RECERTIFICATION DOCUMENTS

• Email recert@kp.org

• Questions? We can help. Call us at **877-490-4983**.

Frequently asked questions (continued)

Q: What documentation do I need to recertify?

A: We've provided a list of documentation in the [recertification checklist](#), found on page 6, that could be used to validate your group's eligibility and participation. The checklist also lists any additional forms you may need and where you can locate them.

Q: How long will it take to recertify my group?

A: The process generally only takes about a week. Once we receive your documentation, our recertification service associate has 5 business days to review the materials and either:

- Contact your group to request additional documentation, or
- Submit your documents to our Small Group Recertification Team

Once your documents have been submitted, you'll receive written confirmation of your recertification within 5 to 7 business days

Q: Which small business group employers need to recertify?

A: Any group may be required to recertify at any time. However, new groups enrolled within the last 12 months will go through certain scheduled recertifications:

- Groups with 5 or fewer members must recertify on the third renewal after 2 full renewals
- Groups with 6 to 15 members must recertify on the fifth renewal after 4 full renewals
- Groups with 16 or more members must recertify on the seventh renewal after 6 full renewals

Q: What if my group is a new business?

A: We allow startup businesses to enroll without meeting the 50% enrollment requirement (1 to 100 eligible employees averaging at least 30 hours a week for at least 50% of the previous quarter or calendar year).

However, in order to minimize the risk to both us and small groups and still allow startup businesses to enroll, we'll recertify these groups on their one-year anniversaries.

For more information about employer eligibility, see our Small Business Guidelines found on the [Forms and Documents](#) page on business.kp.org.

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Frequently asked questions (continued)

Q: What might cause a group to be terminated?

A: Some possible reasons for group termination are:

- The group fails to meet Kaiser Permanente’s Small Business Guidelines found on the [Forms & Documents](#) page on business.kp.org
- The group fails to meet the state of California’s definition of a small business – included in California Small Group Reform Act AB 1672, amended by AB 1083 (2012) and set forth in the California Health and Safety Code Section 1357 –as well as the ACA’s definition of a small business
- The group doesn’t respond to our recertification request with all the necessary documentation by the deadline
- Mail sent to the group is returned

Q: If terminated, will my group be able to reenroll later?

A: Yes. If your group pays all past-due premiums and sends in any missing documentation within 60 days of termination, your group will be reinstated with no lapse in coverage. After 60 days, your group can’t be reinstated, but you can reenroll through our sales team as a new group, as long as evidence of coverage has been received.

Q: What should I do if I feel my group has been terminated unfairly?

A: If you believe your group has been or will be improperly terminated, you have the right to file an appeal. Read more about [your appeal rights](#) on page 7.

Q: Are any groups exempt from the recertification process?

A: No. All groups we cover need to be recertified on a regular basis.

Q: Is an owner-only or husband-wife business qualified for small group coverage?

A: Currently, the definition of a small business employer is 1 to 100 employees. Under the ACA and California regulations, as of January 1, 2014, to be eligible for small group coverage, small businesses must have at least one W-2 (or “common law”) employee listed on the employer’s DE 9C who isn’t the owner, spouse, or legal domestic partner. As a result, the following will no longer be able to renew under a group plan:

- Owner-only business – This is a business that’s owned and operated by an individual and that has no common-law employees (an employee with a W-2 who isn’t an owner, spouse, or legal domestic partner and is listed on your DE 9C). Contracted employees (1099), seasonal and temporary employees, private household help, and domestic help are ineligible for coverage
- Husband-wife business – This is a business that’s wholly owned and operated by one or both spouses, or legal domestic partners, with no common-law employees.

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Frequently asked questions (continued)

Q: If an employer believes they aren't an owner-only business, how do they update their status to renew their small group coverage?

A: For employers who are undergoing the recertification process and feel they don't fit the description of an owner-only or husband-wife (or legal domestic partner) business, they should contact our Recertification Team at **877-490-4983** or recert@kp.org. We can provide general information and direct groups on what is necessary to renew their small group coverage.

Q: Can an employer renew if they're under review for recertification?

A: No. An employer must complete the recertification process before the group can be renewed. If a group isn't an owner-only business, they should contact our Recertification Team as soon as possible at **877-490-4983** or recert@kp.org.

The documentation you submit helps us verify that your group is active and eligible for small business coverage. Make sure to complete and submit the pertinent documentation before your recertification deadline.

Note: Rates are based on the employer's physical, authenticated address. An employer may not use a post office box, UPS store address, or any other purchased address.

⋮ **HOW TO SUBMIT YOUR RECERTIFICATION DOCUMENTS**

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⋮ Questions? We can help. Call us at **877-490-4983**.

All small business groups must submit these items:

DE 9C (quarterly wage report)

- Submit the most recent DE 9C, including the employee's status (declining, not eligible, terminated, or having other group coverage). If the employee has other group coverage, identify the name of the carrier.
- You should also include payroll records for any employees hired after the DE 9C filing. You can get more DE 9C forms through the state of California's website.

Business license

If necessary, you may submit an equivalent such as a fictitious business name statement.

Employer's Confirmation of Workers' Compensation

If requested, this form will be provided by a Kaiser Permanente representative. Complete this form to confirm that you have workers' compensation coverage for all eligible employees in your small business.

Note: Additional documents may be required.

**OTHER FORMS YOU MAY NEED CAN BE FOUND ON THE
[FORMS AND DOCUMENTS PAGE ON BUSINESS.KP.ORG](#)**

- Employee/Dependent Change
- Subscriber Transfer
- Contact Change Request
- Customer Address or Name Change Request
- Employee Enrollment

HOW TO SUBMIT YOUR RECERTIFICATION DOCUMENTS

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Questions? We can help. Call us at **877-490-4983**.

Your appeal rights

You have the right to file an appeal if you believe that your health plan enrollment has been (or will be) improperly terminated.

To appeal our decision, follow the process outlined below:

Requesting a review of our decision

- To file an appeal, send us a letter explaining your position and provide proof of your compliance with the requirement(s). Email your appeal letter to recert@kp.org.
- File your complaint as soon as you receive notice that your plan is being terminated.
- You'll receive our decision within 30 days.

If you have any questions, call us at **877-490-4983**.

Appealing our decision to the California Department of Managed Health Care (DMHC)

You may also file an appeal with the DMHC if:

- You aren't satisfied with our decision
- You didn't receive our decision within the 30-day time limit

If the DMHC determines that your problem requires immediate review, they may allow you to submit a complaint directly to them – even if you haven't filed a complaint with your health plan.

An optional DMHC complaint form is available at healthhelp.ca.gov.

Getting help with your appeal

If you need help with your appeal, contact the DMHC Help Center, which offers assistance in many languages.

DMHC Help Center
980 Ninth St., Suite 500
Sacramento, CA 95814-2725

888-466-2219

TDD: **877-688-9891**

Fax: **916-255-5241**

healthhelp.ca.gov

Continuation of coverage

If your coverage is in effect when you file your complaint, we must continue your coverage until the review process is complete (including DMHC review), unless your coverage is being terminated for failure to pay premiums or fraud.

If your coverage is continued, you must continue to pay your premiums.

If your coverage has already ended when you file your appeal, we aren't required to continue your coverage. However, if the DMHC decides in your favor, we'll reinstate your coverage back to the date of the termination.

: Kaiser Permanente Small Group
: Recertification Team
:
: **877-490-4983**
: **recert@kp.org**