

2014 Underwriting Compliance Guidelines

Producer Communication #651

Issued November 1, 2013

UPDATED June 13, 2014

Summary

The Capital BlueCross 2014 Underwriting Compliance Guidelines have been updated. The new guidelines will be posted to the producer portal on capbluecross.com

Details

Some minor changes were made to the language throughout the document to keep the wording consistent. These are not actual guideline changes and are listed below.

- Changes were made to the beginning of the document to define small group, mid-market, and large group for 2014. Additional areas within the document have been updated with this information as well.
- The confidentiality agreement was added.
- Index was updated as appropriate for new sections and renamed sections within the document.
- Updated dates on cover page and disclaimer page to reflect effective date of updates.
- Additional language updates for consistency.

Overview of Changes made to Guidelines are listed by section as follows:

Section I – PPACA REGULATIONS AND IMPACTS

This is a new section for the 2014 booklet and has been added to describe PPACA regulations and impacts.

References to FTE's have been changed to "Average number of Employees".

- Information was added to Section A & Section C on the Transitional Relief Policy passed by the federal government in March 2014 allowing certain small groups with pre-PPACA policies in effect prior to January 1, 2014 to keep their current health care benefit plan for an additional two years.
- Section E. Pediatric Dental was added.

Section II – GROUP ELIGIBILITY

- *Part A. Common law employee information was added.*
- *Part C. Common Ownership* has been updated with new requirements. IRS aggregation rules will apply and a group will need to provide proof of aggregations in order to be approved. A Certification of Group Eligibility to Combine Form (C-433) will also be required.
- Minor changes to include updated wording and PPACA
- *Part F. Multiple Options* chart includes several updates
 - Group size segments
 - Removed CBC must be sole carrier for Small Groups.
 - Multi Coverage Credit (MCC) eligibility changes based on group size
 - Removal of eBasics
 - Removal of PPO Plus products for small groups
 - Added new Pinnacle Joint Venture product to mid-market and large group sections
 - Added PPO Choice restrictions to 100+ to match same as 51-99 segment
 - Multiple Option changes
 - * including small groups size 2-19 are now eligible to offer up to 3 options
 - Participation requirements
 - Association section updated –added up to 5 options

Section III – PARTICIPATION REQUIREMENTS

- *Part A. Fully-Insured Groups* wording was updated for off exchange and removal of multi-coverage credit (MCC) eligibility for small groups.
 - Updated participation calculation
 - Updated definition of a valid waiver
- *Part B. Self-Insured Groups (ASO)* updated with requirements for groups applying with Capital
- *Part C. 2-19 Contracts* chart notations
- *Part E. Enrollment Minimum* wording was updated for “other insurance” waivers and calculation of participation changes-updated to better define

Section IV – EMPLOYEE/EMPLOYER CONTRIBUTION

This section has been updated to remove employer contribution for all groups excluding the *MyCoverage Selector* product.

Section V – EMPLOYEE/SUBSCRIBER ELIGIBILITY

- *Part A. Group/Subscriber Eligibility* changes to the hour requirements and defining employees as full time and part time. **An additional clause was added on SHOP hour requirement.**
- Updated owner eligibility and new requirements for husband/wife only groups, these can no longer be considered a group under PPACA. **This section was updated to include dependents as well as spouses of owners are not considered common law employees.**
- **Updated dependent eligibility to exclude Foster children.**
- Updated to show domestic partner coverage can be added to the group at any time (on or off renewal).
- *Part E. COBRA* information updated to include use of COBRA for *MyCoverage Selector*

Section VI – RATING METHODS

- *Part A. Rating Methodology and Limitations* updated for new size segments breakdown. The Certification of Group Size Form will be required for a group size 51-99 with fewer than 51 on the census to quote and enroll with Mid Market group products
- *Part B. Group Termination-Small and Mid Market Groups* section updated for all new member applications required anytime a group comes back with the same 12 month period when voluntarily terminated
- *Part C. Preliminary Rate Process* applies to Small Group ASO (20-50 contracts)
- *Part D. Quoted Rate vs. Actual Rate* changes per PPACA
- *Part E. Product Change-Off-Renewal* changes for SBC requirements-updated this to correct that this is a requirement from PPACA and not CBC

Section VII – REPOOLING EXISTING GROUPS

This section had been updated to redefine requirements for repooling of existing group based on new size segments.

- Updated statement to use “average number of employees” to determine group size, instead of FTE’s
- Updated Groups Changing Risk Pools section to allow groups leaving a consortium or association to move off renewal

Section VIII – OTHER UNDERWRITING COMPLIANCE GUIDELINES

This section has been updated with the audit selection criteria based on PPACA and added additional possible groups that may be subject to an audit.

- ***Part A. Audit Selection Criteria* was updated to include all existing groups falling below three active contracts will be audited.**

Section IX – NEW GROUP ENROLLMENT PAPERWORK (OFF-EXCHANGE)

- The inclusion of use of electronic signature where allowed and when not permitted
- Added requirement of signed rate sheets based on group size
A signed rate acceptance sheet is required for all new group submissions. For a fully insured small group it is the Per Member Rate Calculation sheet for all products offered (medical w/rx, dental, vision). For an ASO small group 20-50 it is the underwriting preliminary rate sheet. For Mid-Market it is the composite rate sheet.
- **Part C. Group Attestation Forms section added**
- **Part D. Individual Applications** use of electronic enrollment
- **Part E. Waiver Forms** electronic waiver information
- Participation calculation changes for 2014-updated wording to better define
- Updated definition of a valid waiver.
- **Part F. Employee Tax Documentation** requirements for 2014
- **Part G. Ownership Tax Documentation** changes regarding when they are required
- Added the use of the 990 to the list of corporate tax documents

Section X – BLUECROSS DENTAL

This section has been updated with changes for MCC eligibility and the new DHMO product.

- The stand alone dental field on the chart has a size segment update and clarification on single and dual option eligibility
- Information on the MCC and buy-up options has been updated with additional detail for fully insured groups with 51 or more that offer a Dental Value plan.

Section XI – BLUECROSS VISION

This section has been updated with changes for MCC eligibility.

- The stand alone vision field on the chart has a size segment update and clarification on single and dual option eligibility
- Information on the MCC and buy-up options has been updated with additional detail for fully insured groups with 51 or more that offer a Discount Vision or Vision Plus plan and participation requirements.

Section XII – SMALL GROUPS ON THE FFM SHOP

This section has been added for groups enrolling through the FFM and the requirements known to date including definitions, special election period, participation, group location, product selection, audits, and paperwork requirements. Several updates were made to this section due to new information released on FFM.

- Due to the FFM not up and running, alternate methods for small groups to enroll have been made for them to enroll directly through CBC.
- Updated *Section A*-Extension was granted to allow groups until December 23rd to submit enrollment
- Updated *Section B* reference to Annual Special Enrollment Period and included 25% residency rule as a requirement. In addition, groups may only enroll in ONE QHP (Qualified Health Plan) & ONE QDP (Qualified Dental Plan) under SHOP.
- Updated *Section D* wording for option variance between SHOP and CBC direct groups.
- Updated *Section E*-Audit requirements. All groups will be audited and need to meet 70% participation and 25% residency. As well as only enroll in ONE QHP & ONE QDP. Groups are unable to select multiple options under SHOP. **A clause was added for SHOP groups that do not meet Underwriting Compliance Guidelines.**
- Updated *Section F*-Paperwork requirements are the same as the new group paperwork for an off-exchange new group.

- **Part G. Group/Subscriber Eligibility** has been added.

Section XIII – PAPERWORK DUE DATES (OFF-EXCHANGE)

This section has been updated with paperwork requirements for late letter and final paperwork for 2014 effective dates off-exchange. These guidelines apply to new and existing business.*

*MyCoverage Selector groups have a lead time of 45-50 days prior to the effective date (dependent on defined contribution)

- **Requirements for SHOP group paperwork added at bottom of chart to state all SHOP paperwork is required to be received by the 15th of the month prior to the effective date. There are no exceptions to this deadline for new groups or existing groups moving to SHOP**

Section XIV – FREQUENTLY ASKED QUESTIONS

This section has been updated to remove a question that no longer applies.

Attachments

- **Attachment A – 2014 Underwriting Compliance Guidelines (UPDATED June 2014)**

Questions

Contact your Preferred Agent with questions. Thank you.