

Updates -Independence Mid-Group Guidelines

Participation Requirements Section (page 3)

Added the following sole carrier guideline to the participation section of the guidelines:

- Independence and affiliates must be the sole carrier.

Note: This guideline does not apply to employees of a group that are headquartered outside of the Independence service area. If there is an out of area population, Independence and affiliates must be the sole carrier for the local population only.

Employer Contribution Requirement (page 3)

Updated to be consistent with large group ER contribution requirements as indicated below. **Note:** Blue Solutions Plus Choice Contribution requirements differ from non-choice plans.

- For contributory plan offerings, the employer must contribute a minimum of 50 percent of the calculated gross monthly premium for each plan offered.

Employee Eligibility (page 4)

A note has been added to the Employee Eligibility section to indicate that the minimum hours worked should be a recommendation as indicated below:

- **Note:** To minimize adverse risk selection, it is recommended that employees work at least 25 hours per week.

Changes in employee or dependent eligibility criteria (page 5)

Removed the *example* related to minimum hours worked since the minimum hours worked guideline cannot be enforced.

Independent Contractor/Leased Employees (page 5)

The following guidelines were added to clarify and communicate the eligibility requirements for Independent Contractors and Leased Employees.

- Independent contractors and Leased employees are not eligible for group coverage unless they are reclassified as eligible employees based on the IRS common-law test as defined in Reg. § 31.3401(c)–1(b).
- Employers are responsible for determining the employee classification for Independent Contractors and Leased employees.
- Independence reserves the right to perform periodic audits to assure continued compliance with the above requirement.

Common Ownership (page 6)

The controlling interest percentage will be updated to be consistent with the federal requirements for controlling interest. The new guideline will read as follows:

- All persons treated as a single employer under specified sections of Section 414 of the Internal Revenue Service Code shall be treated as one employer.
- One owner has controlling interest (generally greater than 80 percent interest) of all business to be included;
- **Note:** In general, there must be at least 80% controlling interest to qualify for common ownership. Independence Underwriting may allow groups with at least 51% controlling interest to be combined contingent upon receipt of documentation verifying common control exists. For combining groups with 51% or greater controlling interest, but less than 80%, each of the groups must be greater than (and maintain) 50 full-time equivalent employees (FTE).

Benefit Plans Available (page 7)

Updated the following guideline in the quoting policy section to clarify that changes to prescription drug will require PA mid customers to change to Blue solution plus products.

- Existing groups with non-Blue Solutions PPO, HMO or POS plans may retain existing PPO, HMO, or POS plans but any benefit change to medical or prescription drug plans will be Blue Solutions Plus and Blue Solutions Choice Plus Products.

IBC Vision Plans (page 7)

New section added for vision guidelines to be consistent with large group.

- IBC Vision Plans
- May be offered on a freestanding basis or as a Keystone Health Plan East rider.
- A minimum of 10 enrolled contracts is required.
- Biennial or annual benefit options (but group may not offer both an annual and biennial plan).
- Freestanding IBC Vision Plan
 - Must be offered alongside a medical plan
 - Biennial/ annual benefit options (standard: biennial)
- Note: Voluntary and non-voluntary vision benefit plans are available (but group may not offer both a voluntary and non-voluntary plan).

HealthCare Reimbursement Accounts (HRA) (page 8)

Updated a guideline in this section to indicate that the debit card option is available for the Rx portion of the HRA plans (Medical and Rx debit card options are allowed for groups of 100+)

- Debit card option is available for Rx options

Rate Tier Structure (page 11)

The following guideline has been added to clarify that customers with non-standard rate tiers (other than 4 tiers) will be required to change to 4 tiers if there is a benefit change to medical or prescription drug plans.

New Customers

- A standard four-tiered rating structure is required.

Existing Customers (with multiple rate tiers or non-standard rate tiers)

- Rate tiers for customers with multiple tier structures (e.g. 4 tiers for one benefit and 5 tiers for another benefit) will be updated to one consistent tier at the time of renewal (rate tiers will be updated to be consistent with the rate tier for the benefit that has the most enrollment).
- Existing groups with non-standard tiers may retain their current tier unless there is a change to any of their medical or prescription drug benefits. **Note:** Changes to *any* of the customers medical or prescription drug benefits, will require all medical and prescription benefit plans to be updated to a standard four tiered rating structure. This change will be applied to *all* medical and prescription benefit plans, including groups that have not made a benefit plan change.

Tier Ratios

- Tier ratios for new and existing groups must be consistent for all medical and prescription drug plans offered.

Early Renewal Request Process (page 11)

New section added to communicate guidelines for the PA mid early renewal process.

- Pre-approved thresholds
- *Criteria below are pre-approved and can be submitted directly to Underwriting for processing:*

Days prior to anniversary renewal is being requested:

- 90 days

Lead time – request must be received by underwriting:

- At least 75 days in advance of the due date being requested;
- At least 75 days prior to the current negotiation date

Early renewal request must be e-mailed to the appropriate Underwriting director or manager for renewal assignment, to include: Group CID number, group name, and requested renewal delivery date.

- Note: Early renewal requests only apply to the year the request was submitted. To make a change to the renewal delivery date for subsequent years, an official request to your Account Executive is required.

Reports and Extracts (page 11)

Adding a section to communication that reports and extracts are not available to PA mid customer.

- Reporting and claims extracts are not available to mid-sized customers (groups of 51-99).

Termination Process (page 15)

Added clarification in the Termination Process section to indicate that there will be a 30 day advance notice for off anniversary terminations.

- Independence reserves the right to terminate a group's coverage off-anniversary with 30 day advance notice, if the group fails to meet Independence's underwriting guidelines, including but not limited to minimum participation requirements.