

Western Health Advantage Underwriting Guidelines



FOR SMALL GROUP
1 to 100 Employees
Effective **1.1.20**

Western
Health
Advantage



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Small Group Eligibility

When considering if an employer meets the criteria for a small group, the following applies:

- The employer must be a full-time business, engaged in producing income, have a Tax ID number and Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C).
- The employer must employ 1 to 100 full-time and full-time equivalent employees, not including sole proprietors and their spouses and partners and their spouses, on at least 50% of the previous calendar quarter or previous calendar year. Employee counts must be determined by the employer consistent with California Health & Safety Code section 1357.500 et seq., Section 4980H(c)(2) of the Internal Revenue Code, and all other applicable statutes and regulations.
- At least 51 percent of eligible employees are employed in California.
- The employer cannot be formed primarily for the purpose of obtaining health coverage.
- The employer must offer health plan coverage to 100 percent of its eligible employees.
- If an employer is located outside of WHA's service area, only employees living or working in our service area will be eligible for coverage.
- If a group is termed for non-payment of premium, they cannot reapply for WHA coverage for six months.
- The following are groups not considered small groups:
 - Associations (unless a guaranteed association)
 - Multiple employer trust
 - Union trust plans
 - Taft-Hartley groups
 - A group whose only eligible employees are sole proprietors and their spouses and partners and their spouses (i.e. both owners/partners or one owner, one employee)

Employee Eligibility

- Employees must work a minimum average of 30 hours a week. The employer may elect to offer coverage to employees who work at least 20 hours a week.
- Employees must live or work within the WHA Service Area and provide a physical address upon enrollment.
- Owners who work full time at least 20 hours per week may be eligible; completion of the WHA Owner Statement upon enrollment is required.
- Leased employees are not eligible.
- 1099 employees are not eligible.

Start-up Groups

For new employer groups who do not yet have a DE 9C:

Must be in business for at least four weeks in order to offer a WHA group plan. In this event, copies of payroll records for this length of time preceding the group's effective date is required. A copy of the DE 9C for the first quarter will need to be submitted once available. The payroll documentation will be subject to WHA underwriting approval.

Underwriting Guidelines

Contribution

The employer must contribute a minimum of 50% of the employee's premium for the lowest cost plan offered by WHA. Any other contribution arrangements are subject to WHA underwriting approval.

Participation

A minimum of two employees must enroll in WHA, except when there are valid waivers by all other eligible employees or only one eligible employee is listed on the DE 9C.

When WHA is offered alongside other health carriers, at least two employees must enroll.

Effective Date of Coverage

WHA administers the health plan on a whole-month basis only. Therefore, the employer has the option of choosing one of three effective dates:

- First day of the month following the date of hire;
- First day of the month following 30 days; OR
- First of the month following 60 days.

Rating Structure and Rules

- The principal business address of the employer group determines the rating region for the group*.
- The age of each member within a family will determine the total rate for the family.
- The member's rate is based upon their age as of the effective date or renewal date of the group.
- A family will only be charged for the three oldest children under 21.
- Composite rates are not allowed.
- Rates are not adjusted for Medicare primary eligible members.

*For employers located outside the WHA Service Area: Please contact WHA Sales for rate determination.

Other Plan Rules

- Employers may offer a choice of up to three WHA plan options to their employees, in which case, a minimum of three enrolled employees is required. Multiple plan offerings for groups with two enrolled employees is subject to underwriting review. Only one high-deductible health plan (HDHP) per metal tier may be offered.
- In a multiple carrier scenario, there must be parity of plans and rate structure between the carriers.
- Benefit plan deductibles are based on a calendar year, and therefore, all deductibles reset on January 1st.
- If a group's effective date or renewal date is during the calendar year, WHA will honor deductible carryovers from a prior carrier under the following circumstances:
 - Group HDHP to group HDHP only.
 - Only amounts paid for services that would have been covered under WHA plan and subject to the deductible are eligible for the carryover.
 - Prior carrier deductible documentation must be submitted within 30 days of the member's effective date with WHA in order to receive the carryover credit.
- A Health Savings Account (HSA) with HealthEquity is included with all HSA-compatible HDHPs (unless the employer declines the benefit). Employees must complete the HSA Authorization Form at the time of enrollment in order for WHA to establish their account.

Optional Riders

For any optional rider elected by group: All WHA enrollees must be concurrently enrolled in the optional rider. Refer to the WHA Optional Rider Rate Sheet for additional details.

- Infertility Rider: Available on all plans to employers with 20 or more eligible employees.
- Vision Plans: Full service and eyewear-only options are available to groups with 2 or more enrolled.
- Adult Dental Plans: Includes DHMO and PPO options for enrollees age 19 or older.

Note: Pediatric vision and pediatric dental benefits are included in the medical plan.

Renewals

- WHA renewals will be available approximately 90 days prior to the group's renewal date and available online for brokers and employers to access.
- The employer has the option to change any plans upon the renewal effective date. Written request for a

plan change must be submitted prior to the renewal date.

- WHA will allow a renewal plan downgrade between metal tiers* one-time off-renewal if within the first six months of the policy year. Otherwise if beyond six months, the group must change their renewal date. A plan downgrade effective date will be the first of the month following receipt of the group's request.

*Metal Tiers: Platinum, Gold, Silver, Bronze.

Note: A request to downgrade plans within a metal tier is subject to WHA underwriting approval.

Employer New Business Checklist

All documentation must be submitted to WHA by the 5th of the month in order to guarantee that month's effective date.

- Employer Group Application for Small Group
- Enrollment/Change Form for each enrollee (with HSA Authorization Form, if applicable)
- Declination of Coverage Form for each eligible employee who declines group health coverage for themselves and/or their dependents
- A payment for the first month's premium on company check stock or via e-check (electronic funds transfer option is available once the group has been installed)
- A copy of the most recent Quarterly Contribution Return and Report of Wages (Continuation) (DE 9C); a copy of the prior carrier premium statement may be submitted in lieu of the DE 9C

Owners who are not listed on the DE 9C or payroll report will need to sign the WHA Owner Statement.

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916.563.3198 | **888.499.3198** toll-free

SACRAMENTO OFFICE

2349 Gateway Oaks Drive, Suite 100

Sacramento, California 95833

888.499.3198 toll-free | 916.568.1338 fax