
2023 Small Group Fully-Insured Underwriting Guidelines

Groups 1-100 FTE Employees

About these guidelines

This document is intended for brokers and is for informational purposes only. These Guidelines are not all inclusive and other policies and guidelines may apply. The Guidelines do not replace the DOI Regulations but provide more definitive information regarding certain DOI Regulations. Kaiser Permanente reserves the right to amend the Guidelines as regulations and policies change.

New for 2023

- One New 3 Tier POS plan:
KP CO Silver 3T POS 3000/45 RX Copay
- New Colorado Option Plans:
KP Colorado Option Gold
KP Select Colorado Option Gold
KP Colorado Option Gold PPO
KP Colorado Option Silver
KP Select Colorado Option Silver
KP Colorado Option Silver PPO
KP Colorado Option Bronze
KP Select Colorado Option Bronze
KP Colorado Option Bronze PPO
- Discontinued One Plan:
KP CO Silver POS 3000/45 RX Copay

Affiliated Companies (Businesses w/ Multiple Tax IDs)

Business entities that are affiliated and eligible to file a combined tax return for purposes of state taxation will be considered one employer (even if filing separately or have a new/separate tax ID number) for purposes of determining group size. The following documentation can be used to show affiliation.

- Employer Application employer eligibility question.

If a company isn't eligible to file a combined tax return, they'll be written as a separate customer. Kaiser Permanente will make the final determination of whether there's one responsible employer and may require additional documentation in order to do so.

Approvals for New Sold Group Submission

The Small Group Application must be date stamped by Sales with date of receipt. Group enrollment package must include the following items and must be received by the 5th business day of the effective month. Cut-off dates for supporting documentation is the 10th business day of the effective month.

Small Business Group Application must be completed, ALL fields are required such as, SIC Code, NAICS Code, County, Hours Worked Per Week and Date of Hire.

Underwriting/Sales are unable to make any changes to the Small Business Group Application. If changes/revisions are needed (i.e. effective date change or plan change) the new page(s) will be requested from the broker/group. As an alternative, communication from the broker (i.e. fax, email) can be attached to the original documents (missing signatures and date will require a new page be sent).

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**Approvals for New Sold
Group Submission**

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previous page*

New Small Group Application Requirements

- Small Group Application
- DORA application or Arbitration Addendum and Enrollment Spreadsheet
- Proof of new address if different than listed on the group application. Examples that can be submitted are:
 - a. Articles of Incorporation, Articles of Organization, LLC papers, Partnership Agreements
 - b. Tax or Federal/IRS related documents
 - c. The application for Federal Employer Identification Number (EIN)
 - d. Utility bill that shows business name and address
 - e. Water bill that shows business name and address
 - f. Most recent UITR

Employee applications, waivers, or cancellations received after final sold or renewal rates are generated will not be considered for recalculation.

Special provisions are allowed for any out of state Small Group employer wanting to enroll employees that reside in one of our service areas in Colorado, and there is no work location in Colorado. We can now approve and rate based upon the following:

1. Workman's Compensation documents – if there is a local address included.
If not available, then use 2.
2. Use the address of the Colorado resident agent for the business available through the Colorado Secretary of State web site.
If not available, then use 3.
3. Use the address of the most senior employee in Colorado defined by the group.

Turnaround Time (TAT) will begin when all required documents are received in Underwriting.

If missing documentation is not received within 30 days of email notification, group file will be sent back to Sales marked as declined.

**Special Open Enrollment
for New Group
Submissions**

Employer groups who do not meet the minimum participation or contribution guidelines have a special open enrollment which takes place November 15th thru December 15th (with a January 1st of the following year effective date only).

**Accumulation Crossover
(formerly known as
Deductible Credit)**

Accumulation crossover (or Crossover Credit) applies to Deductible, OOP and Limits (i.e. visit limits or day limits) for like plans. Pharmacy deductible is included in this policy. Accumulation Crossover happens when a group's renewal date is not the same as their accumulation date. The most common example is when a group renews July 1 of each year, but their accumulations start on Jan 1 of each year.

**Associations
MEWA Trusts**

A completed Colorado Associations Checklist form with the required supporting documents included per the instructions in the form.

**Canceled for
Nonpayment**

All groups that were previously canceled for non-payment must wait 6 full months from the date of termination to re-apply. All back premiums must be paid prior to re-application, and written documentation from Kaiser Permanente's Consolidated Service Center (CSC) Billing team must be in the group's file showing the group/owner has paid all back monies due.

- No rate load will be applied.
- If a small employer breaks the 31-day grace period twice within a 12-month consecutive period, the small employer will not be able to qualify for coverage a year from the last termination date.

**Composite Rating
Structure**

Effective January 1, 2016, 4-Tier Composite Rates became available to all Small Group Employers. Composite Rating is based upon the Member Level Rating methodology and utilizes a Balancing Adjustment for renewals to account for enrollment in more than one benefit plan. This adjustment is applied to create premium equivalency with Age Banded premium.

**Composite Rating
Structure Example**

The Composite Rate calculation sums the group's calculated total Age Banded premium/the group's calculated average Demographic Factor = composite rate. To arrive at the 4 tiers, we multiply the composite rate x each Tier Factor. Composite rate x 1.00 = EE (Employee Only), Composite rate x 2.00 = ES (Employee and Spouse), Composite rate x 1.85 = EC (Employee and Child (ren)), Composite rate x 2.85 = EF (Family).

If the group has more than one plan, the Balancing Adjustment is applied to create premium equivalency with Age Banded premium. The Balancing Adjustment is computed by dividing the Total Composite premium by the Total Age Banded premium. This Adjustment is applied to each Composite Rate Tier for all plans as developed with a neutral Balancing Adjustment of 1.00

**Continuation of
Coverage/COBRA**

- Continuation/COBRA enrollees are included in the total premium calculation.
- These enrollees are not included in the eligible count, but are counted as members. For example, a group has 40 employees and the group turns in 25 applications, 15 waivers and 2 Continuation of Coverage forms. AE must list 40 eligible, 25 employees (or primary subscribers), and Continuation of Coverage enrollees are included in the total membership count.
- They are excluded from the FTE Calculation because they are not active employees.
- A small employer carrier in Colorado cannot limit coverage for any "eligible enrollee" (or their dependents) in regard to continuation of coverage laws that would prohibit limiting the number of enrollees/dependents on this basis.
- An employee that becomes inactive, and is eligible for COBRA/State Continuation, moves out of state, may stay on the group's current plan. KPCO does not set up an OOA plan mid-contract for COBRA. If an OOA sub group is already in existence, the COBRA/Continuation member may move to that sub group.

**Contract Anniversary
Date Changes**

Contract anniversary date changes are considered on an exception basis, we will require the following information to be provided for review:

1. Written request detailing the need for the change
2. Number of employees that could enroll because of the new OE

Court Ordered Coverage	<p>Kaiser Permanente will cover any dependent where the court has ordered that coverage be provided for a dependent under a covered employee's health benefit plan and the request for enrollment is made within thirty days after issuance of such court order. Subscriber must currently be enrolled with Kaiser Permanente before adding any court ordered coverage (the dependent must reside in one of our designated service areas).</p>
Dependents	<p>"Dependent" means a spouse, a partner in a Civil Union, an unmarried child under nineteen years of age, an unmarried child who is a full-time student under twenty-six years of age and who is financially dependent upon the parent, and an unmarried child of any age who is medically certified as disabled and dependent upon the parent.</p> <p>Beginning in 2014, for ACA Compliance: A carrier that offers a health benefit plan in the state and that makes dependent coverage for children available under the health benefit plan shall make the coverage available:</p> <ul style="list-style-type: none"> • For a child who is under twenty-six years of age. • The carrier shall not deny or restrict coverage for a child who is under twenty-six years of age based on a factor such as: <ul style="list-style-type: none"> (i) Residency with the policyholder or any other person; (ii) The presence or absence of financial dependence on the policyholder or any other person; (iii) Marital or Civil Union status; (iv) Employment status; or <ul style="list-style-type: none"> • A combination of any of the factors listed in (i) through (iv) above • Except as otherwise provided in state law, a carrier offering dependent coverage of children in a health benefit plan shall not vary the terms of coverage in the policy or contract based on age, except for premium rates for children who are twenty-one years of age or older • Nothing in this subsection requires a carrier to make coverage available for the child of a child receiving dependent coverage unless the grandparent becomes the permanent legal guardian or adoptive parent of the grandchild. HB 13-1266.
Dependent Qualifying Event	<p>If a subscriber is enrolled with single coverage (elected not to enroll existing dependents) and the subscriber acquires a new dependent through birth, marriage, or adoption, that subscriber may add the newly acquired dependent. The enrollment change form must be submitted to Kaiser Permanente's Consolidated Service Center (CSC) within 31 days of the qualifying event of birth, marriage, or adoption.</p> <p>Civil Union: Colorado passed the Civil Union (CU) Act, SB13-011, which requires plans that offer dependent coverage to cover civil union partners as dependents.</p> <p>Colorado Department of Insurance has advised that, with respect to underwriting or claim handling, carriers cannot impose requirements to prove a civil union that are more stringent than requirements to prove marriage. Legal has advised that this restriction applies to eligibility and enrollment as well. Therefore, we cannot ask for any more documentation to enroll a CU partner, than we do for a married couple.</p>

**Effective Dates/
Cut off Dates**

NEW BUSINESS APPROVALS

Effective date must be on the 1st of the month. All new small group applications must be received by Kaiser Permanente by the 5th business day of the effective month. Cut-off dates for supporting documentation is the 10th business day of the effective month.

- If submission is received after the respective due date, the effective date of the group will be the 1st of the month following the initial requested effective date.

RENEWAL CHANGES

The change request must be submitted to Kaiser Permanente no later than the last business day within the group's renewal effective month.

Embedded Dental

Embedded pediatric dental is included in all plans (including Colorado Option plans), except for PPO plans and Tiers 2 and 3 of POS plans.

An adult preventive dental benefit is embedded in all Kaiser Permanente small group traditional health HMO, DHMO, HDHP, and Tier 1 of the POS plans. It is not included in PPO plans or Colorado Option plans. The benefit covers 2 exams and 2 cleanings per year, with a \$30 copay per visit (\$15 per exam, \$15 per cleaning). The plan also covers dependents over the age of 19.

Employee Eligibility

The Affordable Care Act (ACA) requires that, for plan years beginning on or after January 1, 2014, a group health plan or health insurance issuer offering group health insurance coverage shall not apply any waiting period that exceeds 90 days from the date of eligibility.

- Kaiser Permanente will allow an employer group to enroll an employee working at least 24 hours per week. The state requires a Small Group Employer to have at least one W2 employee working 30 hours per week (owners and partners are not employees). Eligibility requirements are the responsibility of the employer to administer.
- Termed employees who are rehired will be treated as new employees unless the group sets up specific rules for rehires at initial enrollment or open enrollment (no mid contract requests will be approved).
- Total number of active employee applications and waivers must equal the number of eligible employees listed on the group application.
- If an employer hires someone under the age of 18 and deems him/her eligible, they will be included in the health plan.

ELIGIBLE EMPLOYEE MEANS:

A full-time employee in a bona fide employer-employee relationship with an employer that has not been established for the purpose of obtaining a small group plan.

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Employee Eligibility
*continued from
previous page***AN ELIGIBLE EMPLOYEE DOES NOT INCLUDE:**

- An employee who works on a temporary, substitute basis.
- An individual and his or her spouse or partner in a civil union with respect to a trade or business, whether incorporated or unincorporated, that is wholly owned by the individual.
- An individual and his or her spouse or partner in a civil union.
- A partner in a partnership and his or her spouse or partner in a civil union with respect to the partnership; except that a partner and his or her spouse or partner in a civil union may participate in a small group plan established to cover one or more eligible employees of the partnership who are not partners in the partnership.
- Notwithstanding any provision of law to the contrary, an eligible employee of a small employer who could also be considered a dependent of the small employer must receive taxable income from the small employer in an amount equivalent to minimum wage for working fulltime on a permanent basis in order to be considered an employee of the small employer.
- Nothing in this C.R.S. 10-16-102 (2014) subsection (18) limits the employer's traditional ability to set valid and acceptable standards for employee eligibility based on the terms and conditions of employment, including a minimum weekly work requirement in excess of thirty hours and eligibility based upon salaried versus hourly workers and management versus non-management employees
- All employees applying for insurance must meet group's new hire policy, unless group submits an eligibility waiver during New Group enrollment.

1099 Contracted Employees

- 1099 contracted employees are eligible for group coverage as long as they meet all qualifying criteria.
 - 1099 Verification Form
 - Employment Contract
 - 1099-MISC FORM
 - W-9 FORM
 - Most recent paystub
- The state requires a Small Group Employer to have at least one W2 employee (that is not the spouse, common-law spouse, or domestic partner of the partnership or Sole Proprietor) working 30 hours per week (owners and partners are not employees), for the group to offer coverage to 1099 contractors (see proof of business section).
- 1099 contractors do not count towards the group size as they are not considered employees of the group.
- There is not a maximum percentage of enrollment for 1099 contractors.

**Employee Leasing
Company (PEO)**

PEO rate loads are not applied to Small Group rates.

Below are two scenarios relating to Employee Leasing Companies (aka PEOs):

Scenario 1: Employees employed by a PEO to manage or administer the business.

To determine employee eligibility of these employees, a group needs to identify employees who are eligible and those who are "leased" or temporary employees who are not eligible.

1. A UTR or payroll records identifying those employees will need to be submitted by the group to show employer/employee relationship in determining employees' eligibility. Payroll records must show the business name, pay periods with taxes being withheld, with year to date total wages for each employee.
2. A completed Colorado Associations Checklist form with the required supporting documents included per the instructions in the form.

Scenario 2: A business that employs individuals from a PEO.

To determine employee eligibility of these employees, a group needs to:

1. Submit quarterly payroll records (e.g., PEO's payroll)
2. A completed Colorado Associations Checklist form with the required supporting documents included per the instructions in the form.

Employer Contribution

Kaiser Permanente requires that the employer financially contribute towards the plan participants' premium, however, we do not require a specific dollar amount or percentage.

Employer Eligibility

Effective January 1, 2016, "small employer" means any person, firm, corporation, partnership, or association that:

- (I) Is actively engaged in business;
 - (II) Employed an average of at least one but not more than one hundred eligible employees on business days during the immediately preceding calendar year, except as provided in paragraph (e) of this subsection (61); and
 - (III) Was not formed primarily for the purpose of purchasing insurance.
- (c) For purposes of determining whether an employer is a "small employer," the number of eligible employees is calculated using the method set forth in 26 U.S.C. sec. 4980h (c) (2) (E). (Colorado Revised Statutes **C.R.S. 10-16-102**)

Employers On Exchange

Kaiser Permanente will be the only carrier participating On-Exchange (SHOP) in 2023, as a result the administration of new or renewing groups will be managed by Kaiser Permanente. Effective March 1, 2018 all new or renewing groups will complete the application process, to include the co-branded Group Master Application and DORA Employee Application(s) and/or Employee Spreadsheet to include all enrolling employees and dependents.

Full-Time Equivalent

Full-Time Equivalent Employee Calculation (see Internal Revenue Tax Code 4980H). A Full-Time Equivalent Employee is a unit of measurement that equals 30 hours per week. A Small Employer must have at least one W2 employee that works a minimum of 30 hours per week. Remaining employees must work at least 24 hours per week to be eligible for coverage.

Full-Time Equivalent Employee = Total hours worked is 1,560 (30 hours x 52 weeks)

Total Hours Worked = Sum of (not to exceed 1,560 per employee per year which is 30 hours per week)

Example:

5 employees work 30 hours per week = 30 hours

x 5 employees x 52 weeks = 7,800

6 employees work 24 hours per week = 24 hours

x 6 employees x 52 weeks = 7,488

15,288/1560 = 9.8 FTE round down to the next lowest whole number which is 9 FTEs

Part-Timers are included. Part time employee hours can be combined to equal 30 hours to equal one FTE.

Example:

40 employees working 30 hours per week, 22 employees working

15 hours per week = 51 Full-time equivalent employees

Seasonal are included if they have worked for more than 120 days during the tax year.

COBRA enrollees are not active employees and are excluded from the calculation.

Ineligible employee(s) are active employees and are therefore included in this calculation. Owners are not included as an employee in the calculation. The hours worked are calculated by the employer as average hours worked for the year.

Husband and Wife

Effective January 1, 2014 Husband and Wife (without any W-2 employees) are no longer eligible for ACA group health insurance plans, as they no longer meet the definition of "group" under the Affordable Care Act (ACA). No exceptions.

Medicare

To enroll in Medicare Senior Advantage, employees (or dependents) must be enrolled in both Part A, and Part B of Medicare. If an employee or dependent chooses to retain group level benefits, Medicare will be the primary payer for groups 19 and under. A Medicare application must be completed with a copy of their Medicare card showing they have both parts A and B.

- Working aged Senior Advantage members, for groups with 20 + employees on payroll, Medicare is secondary payer. These Senior Advantage members will be charged the commercial rate and not the Senior Advantage Rate.
- Groups with Medicare members that are retired (65+) can be covered under Medicare Senior Advantage if the group has a written policy in place which includes the same contribution level as group plan and is available to all employees. (Early retiree coverage not available).
- Senior Advantage members and their families are enrolled in commercial subgroup(s).
- Medicare members are rated on the service area in which they reside, which could be different than that of the employer's primary physical location.

Member Level Rating Age Bands	<p>Effective January 1, 2014, the Affordable Care Act (ACA) defined new standards for small group rates. Rates are based at the member level using community rating by class. Rates may vary based on the following factors:</p> <ul style="list-style-type: none"> • Geographic area (county) • Age limited to a ratio of 3 to 1 for adults (the highest age band cannot be more than 3 times that of the lowest age band rate). • Three uniformed age bands: • Child age bands—a single age band from age 0 to 14 • Adult age bands—one-year age bands from age 25 to 63 • Older adults—a single age band for age 64 and older • Kaiser Permanente does not rate based on tobacco usage. • Members are rated using their age as of the date of the policy contract date, regardless of when the member joins the policy.
Merger and Acquisitions	<p>NEW GROUPS</p> <p>When 2 companies merge, and are acting as a single enterprise:</p> <ol style="list-style-type: none"> 1. Kaiser Permanente Group Attestation Form. 2. A letter (on company letterhead) from the enrolling company explaining the situation or copies of purchase/ownership documentation. <p>Scenario: Companies A and B combine to form one Company</p> <p>When a company is acquired and both companies are active:</p> <ol style="list-style-type: none"> 1. Kaiser Permanente Group Attestation Form. 2. A letter (on company letterhead) from the enrolling company explaining the situation or copies of purchase/ownership documentation. <p>RENEWING GROUPS</p> <ul style="list-style-type: none"> • On Anniversary or Mid-Contract, a group may add a merged or acquired company to their contract by providing copies of purchase/ownership documentation or a letter on company letterhead describing the change being requested, completed Kaiser Permanente Census for rating if applicable, and a completed Kaiser Permanente Group Attestation Form. • The group must notify Kaiser Permanente within 31 days to be considered a qualifying event, allowing employees to be added. • The burden of Proof is on the group to provide appropriate paperwork to Underwriting to request a merger or acquisition.
Multi-Sites and Multi-State Groups	<p>ACA rating is based upon the employer's primary business location.</p> <p>REQUIREMENTS FOR MULTI-STATE GROUPS</p> <ul style="list-style-type: none"> • All Groups must have a physical business location within the KPCO service area. If the group has multiple locations within Colorado, rating is based on the group's primary business location. • There must be eligible Colorado employees with at least one that wishes to enroll. • The total number of employees, nationwide, must still be 100 and under.

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NEA	The Non-Elective Abortion (NEA) plan options are available in the KP Silver 5000/10, Gold 500/30, and Silver 3000/30/HSA plans which exclude non-elective abortions.
Out-of-Area (OOA)	<p>Out-of-Area (OOA) occurs when an employee of an employer with a primary business location within the KPCO service area does not reside within the KPCO service area. Employees who wish to enroll must be either Live/Work or enrolled in an OOA plan. It is up to the Employer to decide which to use for employees who live within the State of Colorado if the Live/Work provision is available. All employees who reside out of state must be in an OOA plan.</p> <ul style="list-style-type: none"> • There are 2 Nebraska zip codes filed with the State of Colorado in our service area. • Employees living in Wyoming but working in the Northern Colorado service area.
Out-of-Area (OOA) PPO Plan	<p>Adding an OOA PPO Plan for the First Time Age Banded and Composite rules: New member(s) being added or existing member(s) transferring to the OOA PPO: An OOA PPO plan can be added to a group's contract without impact to the current contract anniversary.</p> <p>Data Requirements to Request a Quote Group PPO rates are included in Pre-Renewal packets for all groups and a separate quote is not issued. Rates are not recalculated until the group's next Pre-Renewal packets are generated.</p> <p>Data Requirement to Add an OOA PPO Plan for the First Time</p> <ul style="list-style-type: none"> • Group Number, Group Name, Contract Effective Date, and Member Effective Date • Enrollment application(s) if new membership is enrolling for the first time • Subgroup number <p>The contract effective date must be the current anniversary date if the member is being added mid-contract. Example: Group has a renewal date of 1/1/2023; the OOA member's effective date is 3/1/2023. The Contract Effective Date to add the OOA PPO will be 1/1/2023 to match the group's current contract.</p>

Live or Work**LIVE or WORK is an Eligibility Provision:**

Amended Regulation 4-6-8 Section 5 (A)(2) states:

A small employer carrier shall offer to provide coverage to each eligible employee and to each dependent of an eligible employee. For managed care plans, an employee must either work or reside in the carrier's service area to be considered an eligible employee, except as provided in § C.R.S 10-16-704(2)(g), 4-6-8 Section 5 (A)(2)

Kaiser Permanente Small Group "Group Agreement" states:

1. The small employer group's business must be located inside Health Plan's Service Area to be eligible to participate in a KPCO plan; and
2. That all Health Plan Subscribers live or work inside Health Plan's Service Area upon enrollment.

The Live or Work provision does not apply to cross market members (DB and NC); those members that reside in one of Kaiser Permanente's service areas and wish to utilize services in the other service area. It also does not allow for split families; one family member wishing to utilize services in Denver/Boulder, while the rest of the family wishes to utilize services in NC.

- All covered dependents must obtain services in the same service area as the Subscriber.
- Traveling to and from a service area cannot be construed as working in the service area.
- Employees living in Wyoming, but working in the Northern Colorado service area, can be considered as live-or-work.

Kaiser Permanente Small Group "Evidence of Coverage" states:

On the first day of membership, the Subscriber must live or work in our Service Area.

- If an employee does not reside in any KPCO service area, the employee will be placed in the service area of the employer group's primary physical location unless; the group is offering an out-of-area PPO plan or the employer requests to change the service area to place them in a service area closer to their residence.

Kaiser Permanente Administrative Policy for Live or Work provisions:

- Subscribers may not choose their service area.
- Subscribers will be placed in the service area closest to their residence, unless the employer designates otherwise.

Ownership Change

A New Owner who purchases a group currently enrolled in a Kaiser Permanente plan; and wishes to continue coverage must provide the following:

- Purchase Agreement (Bill of Sale)
- Articles of Incorporation/Organization
- Proof of employment (Payroll records, W4) for all new employees to be added.

If the nature of business has changed, the group must provide:

- New Group Application meeting all new group requirements.

Participation

Minimum Participation is no longer required. The group understands that the employer group is responsible for managing their own participation requirement.

Plans/Products Sold	<p>Small groups with 1-5 subscribers can choose 4 HMO, DHMO, HSA, and Plus plans, plus one POS or PPO plan. 6+ subscribers = unlimited HMO, DHMO, HSA, and Plus plans, 2 POS/PPO with enrollment required in each plan. Dependents are not considered as subscribers in determining the number of plans available to the Employer.</p> <p>Groups can add plans on their contract anniversary up to the maximum allowed if there is enrollment in the new plans. Groups may request to add a plan up to the maximum allowed when adding new employees who wish to enroll in the new plan.</p> <p>COBRA enrollees are continued on either the current plan or the replacement plan chosen by the Employer. They are not considered as a subscriber in determining the number of plans available to the Employer.</p> <p>Medicare Senior Advantage enrollees are enrolled in a plan that is selected by the Employer and available to all employees. They are not considered as a subscriber in determining the number of plans available to the Employer.</p>
Kaiser Permanente Select Plans	<p>KP Select is a product for Colorado Springs Employees only, with a narrow provider network. KP Select plans have a specific prescription drug benefit tied to each respective benefit plan. KP Select rates are lower than the full network plans for the same rating/county. There is a corresponding KP Select set of rates for each of the four (4) distinct Market Service Areas, outside of Colorado Springs. If an Employer Group has a full network plan in Denver/Boulder, Northern Colorado, and Pueblo and a corresponding KP Select plan in Colorado Springs, this counts as 1 plan. Live/Work is not a provision allowable in the KP Select offering. An employer may pair KP Select Plans with Point of Service (POS) Plans for their employees that reside in the defined Colorado Springs service area. An employer may also offer KP Select alongside a Full Network plan as a dual choice offering for their Colorado Springs membership.</p>
Professional Employer Organization (PEO)	<p>Professional employer organizations may be underwritten as small groups if they meet the requirements of the small group definition.</p> <p>In addition, small businesses with co-employed or leased employees may also offer coverage to their co-employed or lease staff on the basis of the co-employment relationship.</p>

Proof of Business

The following are acceptable forms of proof of business: When submitting any of the Federal or State returns, all relevant Schedules must be included.

Quarterly Wage & Tax, Unemployment Insurance Report of Workers' Wages (UITR)	Most recent UITR satisfy both proof of business and employee(s).
Payroll / Payroll Records	Payroll records must show the business name, pay periods, taxes being withheld with year-to-date total wages for each employee
C Corporation	Tax Form 1120 and appropriate schedule or supporting payroll records Personal Tax Form of Officers (1040) or Most recent UITR
Tax Form 941 Quarterly Federal Tax Form	Tax Form 941 is proof of business, must have supporting payroll records
S Corporation	Form 1120 S and appropriate schedule (K-1) or supporting payroll records or most recent UITR
Partnership	Form 1065 and K1s or supporting payroll Most recent UITR for employees (must have at least one W2 employee) that is not the spouse, common law spouse, or domestic partner of the partnership
Sole Proprietorship	Form 1040, Schedule C & SE: UITR with at least one W2 employee, that is not the spouse, common law spouse, or domestic partner of the Sole Proprietor (Kaiser Permanente does not accept extensions) Misc. 1099
Limited Liability Company (LLC) (LLP)	C Corporation or Partnership form(s): Personal Tax Form (1040) Schedules with most recent UITR
Acquisitions	<ul style="list-style-type: none"> • A letter on company letterhead explaining the situation • Applications/waivers for the acquired employees • Wages and Tax form for the acquired company • Proof of Ownership
Farm	Schedule F: <i>Most recent UITR must have at least one W2 employee that is not the spouse, common law spouse, or domestic partner of the owner.</i>
Trust	Form 1041

Rate Quotes for Prospective Clients

A small employer may receive a price quote, directly or through an authorized producer/Broker.

- Final Rates are based on final enrollment and member level or 4 tier composite rating.
- A price quote shall be provided without requiring verification of the eligibility of the small group. The fact that a price quote has been issued shall not, however, prevent the small employer carrier from verifying the group's eligibility before issuing said coverage.

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Rate Type Change Requests	Rate type change requests must occur within the month that the group is sold or renewed. This is a change between Age Banded and Composite rate types.														
Rating Area	A rating area determines which set of rates to use as derived from the county of the employer's primary business location.														
Rating Areas	<p>Listed below are the counties we are filed with the State of Colorado where we provide service</p> <table> <tr> <td>Rating Area 1</td><td>Boulder</td></tr> <tr> <td>Rating Area 2</td><td>El Paso, Teller</td></tr> <tr> <td>Rating Area 3</td><td>Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park</td></tr> <tr> <td>Rating Area 4</td><td>Larimer</td></tr> <tr> <td>Rating Area 6</td><td>Weld</td></tr> <tr> <td>Rating Area 7</td><td>Pueblo</td></tr> <tr> <td>Rating Area 8</td><td>Crowley, Custer, Fremont, Huerfano, Las Animas, Lincoln, Morgan, Otero</td></tr> </table>	Rating Area 1	Boulder	Rating Area 2	El Paso, Teller	Rating Area 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park	Rating Area 4	Larimer	Rating Area 6	Weld	Rating Area 7	Pueblo	Rating Area 8	Crowley, Custer, Fremont, Huerfano, Las Animas, Lincoln, Morgan, Otero
Rating Area 1	Boulder														
Rating Area 2	El Paso, Teller														
Rating Area 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park														
Rating Area 4	Larimer														
Rating Area 6	Weld														
Rating Area 7	Pueblo														
Rating Area 8	Crowley, Custer, Fremont, Huerfano, Las Animas, Lincoln, Morgan, Otero														
Reinstatement	For groups where Kaiser Permanente Coverage was terminated for less than 60 days, they may request reinstatement of their prior contract to avoid a gap in coverage. Kaiser Permanente will consider this request provided unpaid premiums are paid and the group qualifies for small group coverage..														
Relocation	<ul style="list-style-type: none"> • If group moves outside of Colorado, the group is no longer eligible for small group coverage in Colorado. • If an employer group (not employees) relocates to a new rating area, the employer must submit legal documents showing the new primary physical business address location, which will be the same address they use to file with the State of Colorado and/or new business license. If approved, new rates will be generated with a new 12-month contract. 														
Renewals	<p>For renewing business, a completed Employer Plan Selection form should be returned to Kaiser Permanente no later than 45 days prior to the group's renewal date.</p> <p>ACA Compliant Benefit Plan</p> <p>Groups enrolled in ACA Compliant Benefit Plan(s):</p> <ol style="list-style-type: none"> 1. Groups may change to a different ACA Plan by submitting changes in PARQ or completing Employer Plan Selection Form 45 days prior to the group's renewal date. 2. If the renewal paperwork is not received prior to the renewal date, the group's contract will be automatically renewed with their current plan and eligibility. 3. Any current Small Group that has grown to more than 100 Full-Time Equivalent Employees can renew in Small Group. 														

Seasonal Employees	<p>To be considered as eligible</p> <ul style="list-style-type: none"> • Must have a contract to return to work the following year (i.e. teachers). • Must work a minimum of 24 or more hours per week on a permanent basis, if there is at least one W2 employee working 30 hours per week. <p>Seasonal employees who work more than 120 days during the tax year are included in the Full-Time Equivalent Calculation to determine small or large group.</p>
Service Area	<p>A service area is where the member seeks medical services.</p> <ul style="list-style-type: none"> • In 2021, Kaiser Permanente removed all service area boundaries to create one unified service area for Colorado. Our footprint remains the same and members received new ID cards with consolidated service area.
Split-Off Groups/ Spin-off Groups	<p>Split-off and Spin-off groups must enroll as a “new group” and will be subject to the new group process.</p> <ul style="list-style-type: none"> • Show proof of address with new company’s name such as a lease agreement, State of Colorado document, or a utility bill.
Start-Up Business	<p>In the case of an employer that was not in existence throughout the preceding calendar quarter, the determination of whether the employer is a small employer is based on the average number of employees that the employer is reasonably expected to employ on business days in the current calendar year. C.R.S. 10-16-102 (2014)</p> <p>Qualifiers for Startup Business: Date the employer was actively engaged in business is used as the start date for the business.</p> <p>New Start-Up businesses are required to submit the necessary new group documents. See the Approvals for New Sold Group Submission section of this document.</p> <p>A Company that has been in business for less than one year, including Sole Proprietorships, the group must have at least one W2 employee working 30 hours per week in order to qualify as Small Group. See Employee Eligibility section.</p>
Termed Groups	<p>All groups that are canceled for nonpayment must wait 6 months from the date of termination to reapply. All back premiums must be paid prior to re-application. Underwriting must have written documentation in the group’s file from Consolidated Service Center (CSC) Billing showing the group/owner has paid all back monies due.</p>
Valid Group per Amended Regulation 4-2-39	<p>Valid group means, for the purposes of this regulation, a group of persons who qualify for group sickness and accident insurance as found at §§ 10-16-214(1) and 10-16-215, C.R.S. All groups must meet the qualifications as valid groups. Non-employer groups, including, but not limited to, associations, trusts, unions, and organizations eligible for group life insurance shall be submitted to the Division for approval. Groups formed for the purpose of insurance are prohibited under Colorado law. Multi-state associations must also meet the requirements under § 10-16-214(1), C.R.S. Bona fide associations must meet the requirements under § 10-16-102(6), C.R.S. Trusts must meet the requirements under § 10-7-201, C.R.S., and must be formed by one or more employers or by one or more labor unions, or by one or more employers and one or more labor unions. Union agreements must also be submitted to the Division.</p>

Waiting Period	<p>For New group submissions, the initial waiting period for enrolling employees may be waived upon the company's acknowledgment that the effective date of coverage for new employees and their eligible family dependents won't exceed the waiting period established by the company.</p> <ul style="list-style-type: none"> • The group understands that the employer group is responsible for managing their Date of Hire waiting period • Effective January 1, 2014, per ACA regulation, a group health plan or health insurance issuer offering group health insurance coverage shall not apply any waiting period that exceeds 90 days from the date of eligibility.
Waivers	<p>Waivers need to be completed for all eligible employees, spouses and/or dependents of all employees if waiving coverage. Waivers must include a reason why they are declining coverage.</p> <ul style="list-style-type: none"> • All waivers need to be signed and dated by the employee. • Waivers are not needed for spouses and dependents of employees who are waiving coverage. • The group understands that the employer group is responsible for managing their waivers and saving on their end for audit purposes.
Wellness	<p>Most Kaiser Permanente Small Group health plans include an employee wellness incentive to reward employees who complete specific health/wellness screenings and activities with a \$150 reward card. All subscribers 18 or over are eligible to participate in the program. The wellness incentive program is not included in PPO plans or Colorado Option plans. For 3-tier Point of Services plans it is available only if the required screenings are received from participating providers.</p>
Zero Members or No Enrollment	<p>Groups with no enrolled members will not be issued a pre-renewal packet. If there are no employees in the waiting period, the contract will not be renewed.</p>