

# NEW SMALL GROUP GUIDELINES



Kaiser Foundation Health Plan of the Mid-Atlantic States

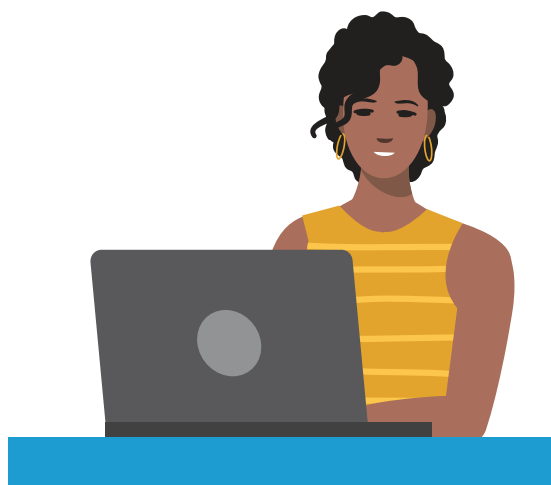
Small group eligibility and enrollment guidelines  
for off-exchange plans offered in Maryland and Virginia

This information is not intended to constitute legal advice and should not be relied upon in lieu of consultation with appropriate legal advisors.

# Table of contents

<b>Introduction</b>	3
<b>Eligibility</b>	4
<b>Employer eligibility</b>	4
Right to audit	4
Sole proprietor/partnerships	5
Business location	5
Valid and active business	5
Coverage requirements	5
Start-up groups	6
Affiliated companies	6
Workers' compensation	6
Professional employer organizations	7
Foreign (out-of-state) businesses	7
<b>Employee eligibility</b>	8
Full-time employees	8
Part-time employees	8
Dependents	8
Independent contractors	9
Waiving coverage	9
<b>Getting started</b>	10
<b>New group enrollment checklist</b>	11
<b>Additional enrollment tips</b>	12
Policy effective date	13
Submission deadlines	13
<b>General guidelines</b>	14
Participation requirements for off-exchange plans	14
Contributions by employer	14
Policy effective date	14
Waiting periods	15
Changes	15
Ineligible categories	15

<b>Requirements for other group categories</b>	16
Groups based outside our service area	16
Out-of-area employees	16
<b>Plan options</b>	17
HSA-/HRA-qualified plans	17
Multiple plan options	17
<b>Dental and vision</b>	18
Child dental	18
Adult dental riders (optional)	18
OrthoPlus cosmetic dental rider (optional)	18
Vision	18
Dental and vision guides	18
<b>General rating information</b>	19
Plan rating	19
Composite premium rating	19
<b>Billing</b>	20
Paid as billed	20
Proration rules	20
<b>Re-enrollment, reinstatement, and termination</b>	21
Re-enrollment	21
Reinstatement	21
Group termination	21
Termination by Kaiser Permanente	22
Requesting termination	22
Premium grace period	22
<b>SHOP (Small Business Health Options Program)</b>	23



## Introduction

These are guidelines to Kaiser Permanente's general approach to evaluating and offering coverage to small business accounts. We want to keep you informed about our current guidelines; however, this document may be subject to change without notice as permitted under the law. The most current guidelines can be found in the broker section at [account.kp.org](https://account.kp.org).

To qualify for any Kaiser Permanente health plan coverage on a guaranteed-issue basis, an employer must meet and continue to meet certain requirements. These requirements are defined in the Affordable Care Act (ACA), the state small group law, and Kaiser Permanente's group eligibility requirements.

To be eligible to purchase small group health coverage from Kaiser Permanente, an employer must meet the applicable definition of a small group employer as defined under federal and state law.

**These guidelines are not intended to be all-inclusive. Other policies and guidelines may apply.**

The final decision to accept or decline a group for coverage, specify terms of coverage, or grant requests for changes is contingent upon applicable authorization from Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., subject to applicable law.

**Brokers are not authorized to bind or guarantee coverage, premium rates, or effective dates.**

**All prospective businesses should maintain their current coverage until notified by Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., of approval for coverage.**

# Eligibility



## Employer Eligibility

- Small group plans effective since January 2014 are compliant with the ACA's requirement of health coverage. Insurers cannot use a group's medical history to set premiums for ACA-compliant small-group plans.
- Kaiser Permanente will conduct applicable state and local online searches to validate filings and other documentation.
- Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., will initially determine group segment size based on the eligibility and enrollment data received and included as part of the initial application package submission.
  - » 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 the employer's regular place of business, be subject to withholding on a W-2 form, and have met their waiting period, if applicable.
  - » Full-time equivalent employees are a combination of employees, each of whom individually is not a full-time employee (because they are not employed on average at least 30 hours per week) but who, in combination, are counted as the equivalent of a full-time employee.

## Right to audit

Kaiser Permanente staff will perform internal checks via state websites to validate the legitimacy of the group.

- If status is other than Active, then the customer will need to provide alternative documentation (business license, start-up documents, etc.) or submit proof of valid standing.
- For sole proprietors/partnerships, if the qualifying W-2 employee of a sole proprietor or partnership is waiving coverage or has the same name/address as an owner (a dependent child is acceptable in this situation), then the customer will need to provide more documentation, e.g., payroll records or a Kaiser Permanente payroll attestation form. If only one person is enrolling, or when all enrollees have the same address, then this requires proof of employment, payroll records, or a Kaiser Permanente payroll attestation form.

## Sole proprietor/partnerships

**Virginia:** A Virginia sole proprietor/partnership will be acknowledged as a small business and be eligible for health benefits through the small group market.

**Maryland:** An employer group that files as a sole proprietor or partnership must have at least 2, but no more than 50, full-time equivalents (FTEs) (including eligible owners).

Based on Maryland state law, an employer who is a sole proprietor must be purchasing group coverage for the benefit of persons other than the employer in order for the business to be eligible for health benefits through the small group market.

### Notes:

If an employer/sole proprietor with one employee is seeking group coverage, but the **employee** elects to waive coverage through their employer, leaving the employer as the only enrollee, then the group is **ineligible** for coverage through the small group market.

If an employer/sole proprietor with one employee is seeking group coverage but the **employer** elects to waive coverage, leaving the employee as the only enrollee, then the group is **eligible** for coverage through the small group market.

## Business location

- An employer must maintain business licensure and/or appropriate state filings allowing the business to conduct business or have employees living in the Mid-Atlantic States.
- If an employer's business is located outside the geographic boundaries of the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., service area, only employees living in our service area (based on their home ZIP+4 code) will be eligible for coverage. This is referred to as the **Live/Work** rule. If a group located in our service area has employees who live, work, or reside outside the service area, point-of-service (POS) offerings are available.
- If the group's home office is located outside the service area, the group's premium billing is sent to that location, and the group has only staff working within our service area remotely from their homes, then the employees' home addresses will determine the group's situs. Where these employees reside in multiple jurisdictions, situs is based on the address of the most senior employee. No group may have more than one situs.

## Valid and active business

- The group must be a legal entity that is actively engaged in a full-time business activity and has the legal capacity to sponsor a group health plan on behalf of employees. The group must have the legal capacity to execute a contract.
- An eligible small group must have a valid federal tax identification number (TIN/EIN) and provide all required legal documentation within the state or jurisdiction where they are applying for coverage.
- The employer must maintain business license or applicable state filings allowing the business to conduct business in the state.

## Coverage requirements

- An employer must offer health plan coverage to 100% of its eligible employees.
- The business must not have been formed primarily for the purpose of buying a health plan or coverage.

## Start-up groups

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., considers start-up groups that meet all the requirements.

- A start-up business (i.e., a business operating for 6 weeks or less) is required to provide the Articles of Corporation or LLC documentation that the business is a legally recognized business entity with a valid employer/employee relationship with all employees applying for coverage during the initial enrollment period.
- The documentation collected is used to help verify that a prospective customer is an active, legitimate small business eligible for small group coverage. The information is also used to demonstrate that an owner, officer, or partner is actively engaged in the business and eligible for coverage. Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., will conduct applicable state and local online searches to validate filings and other documentation. A group may not be approved for coverage if a search is unsuccessful.

## Affiliated companies

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 they are filing separately or have a new/separate tax ID number) and must apply as one employer. The following documentation can be used to show affiliation:

- Small Group Employer Application – Employer Eligibility Section

If a company isn't eligible to file a combined tax return, they will be written as a separate customer.

Kaiser Permanente will make the final determination of where there's one responsible employer and may require additional documentation to in order to do so.

As permitted by federal and state law, Kaiser Permanente will allow businesses with more than 50% common ownership (i.e., 51% or greater) to be combined if requested by the owner or an officer of the controlling group. Common ownership is established when one person or entity retains more than 50% ownership across affiliated companies. Corporations, LLCs, partnerships, and sole proprietorships are all subject to this rule, and this rule is applicable to all other defined size segments.

Family or marital relationships do not automatically imply common ownership among different and distinct business groups. The business applying for coverage may need to consult with its attorney, accountant, or regulatory consultant to see if the businesses held through ownership interest meet the criteria established to permit enrollment as a single employer group.

Unless a subsequent change in ownership or ownership structure makes the combination of affiliates or subsidiaries ineligible, the decision to enroll as a combined account or as separate accounts is irrevocable.

## Workers' compensation

- The employer must have a workers' compensation policy when required by law. The law requires that most employers carry workers' compensation insurance in order to cover their workers in the event of a work injury.
- **Virginia:** State law requires that an employer who regularly employs more than two part-time or full-time employees carry Virginia workers' compensation coverage. If a business hires subcontractors to perform the same trade, business, or occupation, or to fulfill a contract of the business, the subcontractor's employees are included in determining the total number of employees. For those employers required to have coverage, it is mandatory. There are no waivers and no exceptions.



- **Maryland:** State law requires that all employers having one or more employees, full or part time, to have workers' compensation coverage for the benefit of their employees. With few exceptions, every employer in the State of Maryland with one or more employees is required by law to provide workers' compensation coverage for their employees. An employer or employee cannot waive provisions of the Workers' Compensation Law.
- To properly count employees and determine if a business needs coverage, it is important to know who counts as an employee. All of the following are considered employees:
  - » Corporate officers and LLC managers, even if they are not performing regular work for the business or earning a regular salary
  - » Family members who perform work for the business
  - » Undocumented workers
  - » Temporary, seasonal, and part-time workers
  - » Minors
  - » Workers who perform work for churches, charities, and nonprofits

#### Exemptions:

- Virginia-based small groups with fewer than three employees (groups composed of two or fewer common-law employees)
- Maryland-based sole-proprietorships, partnerships, or certain scheduled corporations composed of only those with ownership rights, with no employees other than the owner and/or owner's spouse
- Certain agricultural-based businesses

### Professional employer organizations

Employees employed under a co-employment agreement with a professional employer organization (PEO) are eligible for enrollment if the group otherwise qualifies as a small employer.

**Virginia:** Small businesses with co-employed or leased employees may also offer coverage to their co-employed or leased staff on the basis of the co-employment relationship.

**Maryland:** State law requires Kaiser Permanente to offer coverage to small businesses with co-employed or leased employees; Kaiser Permanente may not underwrite the co-employed or leased staff of Maryland small groups through a PEO.

### Foreign (out-of-state) businesses

Allowed to enroll with proper documentation. The employer must maintain business licensure or applicable state filings allowing the business to conduct business in the state (i.e., Secretary of State [SOS] filing). A commercial or home office is acceptable.

## Employee Eligibility

### Full-time employees

To be eligible as a **full-time employee**, a person is required to:

- Be a permanent employee who is not a spouse or legal domestic partner of a sole-proprietor owner
- Be a partner or owner who is actively engaged and regularly scheduled on a full-time basis in the conduct of the business of the small employer
- Be a person with a normal workweek averaging 30 hours, through the small employer's regular places of business
- Be subject to withholding on a W-2 form
- Have met their waiting period, if applicable
- Be an employee may select only products offered by the group

### Part-time employees

Employers can choose to offer coverage to employees who work at least 20 hours a week in Virginia and 17.5 hours per week in Maryland.

To be eligible as a part-time employee, a person must be an active, permanent employee who is actively engaged in the conduct of the business of the small employer and not more than 29 hours per a normal workweek, at the small employer's regular places of business.

An employer is not required to offer coverage to part-time employees, but can do so, provided that eligibility requirements are met. If coverage is offered to one or more part-time employees, then coverage must be offered to all part-time employees working at least 20 or more hours per week.

### Dependents

Dependent coverage is available to the following individuals if the employer group allows enrollment of dependents:

- Legal spouse. Spouse includes legal domestic partners who meet the employer group's eligibility requirements for domestic partnerships.
- An employee's or a spouse's children (including adopted children or children placed for adoption) who are under age 26.
- Children under age 26 for whom the employee or spouse is the court-appointed guardian.
- Disabled dependents who meet dependent eligibility rules and satisfy incapacity and financial reliance requirements to be certified as **disabled dependents** under the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., policy and applicable state legal requirements. The age limit does not apply to disabled dependents.

An individual is not permitted to be covered as both an employee and a dependent under the same employer-sponsored plan, nor may a child, eligible for coverage through both parents, be covered as a dependent under both parents under the same plan. Dependents may enroll only in products selected by the employee-subscriber.

## Independent contractors

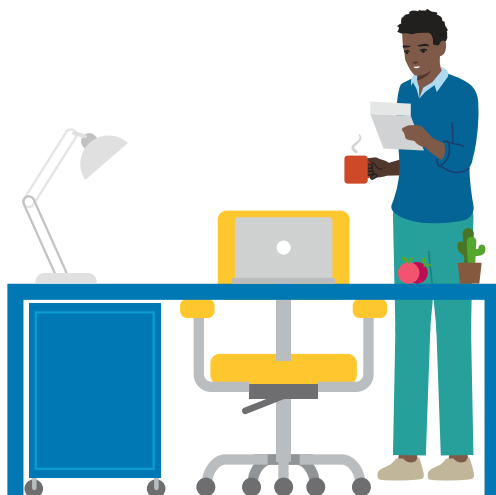
It is the choice of the employer to consider individuals to be eligible for coverage. Should you choose to include independent contractors in your group health plan, Kaiser Permanente requires that you and the contractor meet the following submission guidelines:

- An employer group must have at least one enrolling taxable employee.
- A copy of the 1099-MISC tax documents from the previous year or a Schedule C (Form 1040) must be provided.
- A copy of the Declaration Page from the employment agreement (reflecting the start date) must be provided.
- The employee must have at least 3 months of employment prior to applying for insurance.
- If taxes have not been filed for the previous year, then proof of compensation or pay stubs for the previous 3 months will be required in addition to the Declaration Page of employment agreement.

## Waiving coverage

Employer groups should obtain and maintain employee waivers. Examples of other coverage that would support a valid waiver include the following:

- CHAMPVA
- Department of Veterans Affairs (VA)
- Indian Health Service
- Individual coverage purchased from Kaiser Permanente or any other carrier
- Medicaid
- Medicare
- Retiree coverage through a former employer
- TRICARE
- Other group coverage (spousal and parental coverage where the employee is a dependent, or the employee is enrolled through another employer)



## Getting started

An employer must provide proper documentation to prove it qualifies as a small business under the state law. The documentation required by Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., is highlighted in the “New Group Enrollment Checklist” on page 11. Please keep this checklist handy to make sure you have all the forms and documents needed for submission, plus the initial premium payment. Visit **[account.kp.org](https://account.kp.org)** to download the most current versions of our forms.

Enrolling with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., is quick and easy if you follow the steps on pages 11 and 12. Make sure that each document is completed and signed so we may provide quick approval and enrollment for your group.

To better serve you and your clients’ needs, submit completed new groups prior to the first business day of the effective-date month. Late submissions and incomplete or missing information will delay processing for your new groups.

The most current versions of the following documents are required for new group submissions.

Go to **[account.kp.org](https://account.kp.org)** for the most current forms or to use the forms validation matrix tool to verify you’re using the most current version. Type or use black ink for legibility; print neatly. Email completed submissions to **[mas-small-group-new-business@kp.org](mailto:mas-small-group-new-business@kp.org)**.



## NEW GROUP ENROLLMENT CHECKLIST

### ☐ Business eligibility

The employer group must have a defined physical location or employees working within the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., service area and maintain an active business license. Kaiser Permanente staff will perform internal checks via state websites to validate the legitimacy of the group.

☐ If status is other than Active, then customer will need to provide alternative documentation (e.g., business license, start-up documents, etc.) or submit proof of valid standing.

### ☐ Completed group application

Complete the group application, including a dated signature of the authorized contract signer or interested party and date of the signature, *within ninety (90) days prior to the effective date*. Complete all broker and general agent information.

### ☐ Quote

Composite premium rates: A two-subscriber minimum is required in each plan for which a group is billed using composite premium-rate equivalent methodology.

### ☐ First month's premium

**EFT form:** The group will be notified when the payment is processed.

**Check:** Premium checks must be mailed to:

Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.  
P.O. Box 64345  
Baltimore, MD 21264-4345

### ☐ Completed Kaiser Electronic Eligibility List (KEEL) or employee enrollment forms

### ☐ Employee waiver forms

Employee waiver forms do not need to be submitted to Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., if a KEEL was provided. Employer groups should obtain and maintain employee waivers.



## Questions?

See your Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., sales representative or call **301-816-6587**.



## ADDITIONAL ENROLLMENT TIPS

- **Service area**

Confirm group has a defined physical location or employees working within the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., service area.

- **Business eligibility verification**

Virginia Business License Information System research site:

**[cis.scc.virginia.gov](https://cis.scc.virginia.gov)**

Maryland Business License Information System research site:

**[egov.maryland.gov/BusinessExpress/EntitySearch](https://egov.maryland.gov/BusinessExpress/EntitySearch)**

- **Full-time equivalency**

Confirm employer group has 50 or fewer full-time equivalent (FTE) employees.

**[healthcare.gov/shop-calculators-fte](https://healthcare.gov/shop-calculators-fte)**

- **Participation requirements for off-exchange plans**

**Virginia:** Minimum participation requirement is 50% for all group sizes.

**Maryland:** Minimum participation requirement is 50% for all group sizes.

Minimum participation and employer contribution requirements are waived for small employers that apply during the annual open enrollment period of November 15 through December 15 of each year. This annual open enrollment period applies to small employers that apply through SHOP (Small Business Health Options Program) or directly through a carrier, and is reserved exclusively for January 1 coverage effective dates.

- **Summary of Benefits and Coverage (SBC) for Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., plans**

**[account.kp.org/broker-employer/resources/broker/floating/summary-benefits-coverage](https://account.kp.org/broker-employer/resources/broker/floating/summary-benefits-coverage)**

- **Prior group with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc.**

Groups that have canceled with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., within 6 months are not considered New Business and should be submitted to the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., Account Management team.

- **Sales quoting**

**[mas.kpquote.com](https://mas.kpquote.com)**

- **Field sales guide**

**[account.kp.org/broker-employer/resources/broker?region=MID](https://account.kp.org/broker-employer/resources/broker?region=MID)**

## Policy effective date

Policy effective dates can be the 1st or 15th day of the month.

- Final rates are based on actual group enrollment for a specific policy effective date. A new rate quote may be required for a change or postponement of a policy's effective date. Rates may vary by policy effective date.
- Existing employees and their dependents (if the employer offers dependent coverage) are eligible for coverage on the employer's effective date.
- An employer group can make a plan change up to the 30th day following the group's effective date.

## Submission deadlines

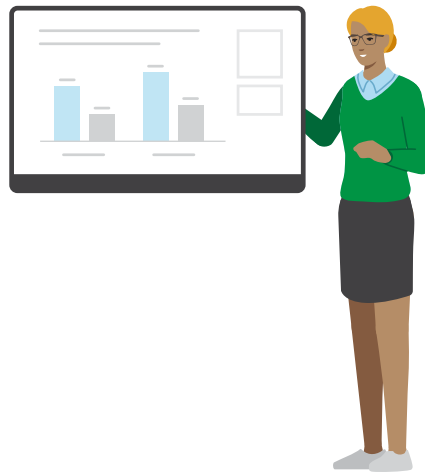
Coverage effective date can begin on either the 1st or the 15th day of the month. The complete group submission must be received by Kaiser Permanente by noon on the effective date.

**Note:** If the submission deadline falls on a Saturday, Sunday, or holiday, Kaiser Permanente will extend the submission deadline date until the next business day within that applicable month.



## Questions?

See your Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., sales representative or call **301-816-6587**.



# General guidelines

## Participation requirements for off-exchange plans

**Virginia:** Minimum participation requirement is 50% for all group sizes.

**Maryland:** Minimum participation requirement is 50% for all group sizes.

Example:

- Groups with 3 eligible employees require 2 subscribers to meet 50% minimum participation requirement.
- Groups with 5 eligible employees require 3 subscribers to meet 50% minimum participation requirement.

Minimum participation and employer contribution requirements are waived for small employers that apply during the annual open enrollment period of November 15 through December 15 of each year. This annual open enrollment period applies to small employers that apply through the Small Business Health Options Program (SHOP) or directly through a carrier, and is reserved exclusively for January 1 coverage effective dates.

## Contributions by employer

**Virginia:** A small group is required to contribute a minimum of 50% toward the total premium cost of the employee-only premium, or 50% of the total cost of the employee-only premium for the lowest-priced product option sponsored by the employer group. Employer contribution requirements are waived for small employers that apply during the annual open enrollment period of November 15 through December 15 of each year.

**Maryland:** In accordance with Maryland law, carriers, including Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., cannot impose a minimum contribution requirement on small groups.

## Policy effective date

Policy effective dates are the 1st or 15th of the month.

- Final rates are based on actual group enrollment for a specific policy effective date. A new rate quote may be required for a change or postponement of a policy's effective date. Rates may vary by policy effective date.
- Existing employees and their dependents (if the employer offers dependent coverage) are eligible for coverage on the employer's effective date.
- An employer group can make a plan change up to the 30th day following the group's effective date.
- A small group case submission will not be approved for any requested effective date that is prior to the signature date obtained and recorded by the employer. Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., will not support the backdating of employer small group applications (i.e., small group employer applications must be signed and dated prior to the effective date of coverage).



## Waiting periods

If the employer establishes a waiting period, the following criteria must be met:

- It is the employer's responsibility to ensure that the group does not apply a waiting period of more than 90 days from the date of hire, in accordance with the ACA.
- Employers can require new employees to complete an orientation period as long as it is no greater than 30 days. Any waiting period would begin to run only after completion of the orientation period. It is the employer's responsibility to administer and track these requirements.
- The effective date of coverage for new employees and their eligible dependents is always on the first of the month and cannot exceed the maximum 90-day waiting period.

## Changes

Benefit, eligibility, and waiting period changes can be made only during the renewal of the contract anniversary date. A 30-day open enrollment period is required one month before the renewal of the contract year.

## Ineligible categories

The following employer classifications do not meet small group legal requirements and are ineligible employers. Employers with classifications not listed below may also be ineligible if they fail other requirements. The absence of a category in this list does not make it eligible by default.

- **In Maryland, a group that has a single owner with no employees, sole proprietor or partnership with no employees, or any group that employs 51 or more full-time equivalent employees.** Groups with 51 or more full-time equivalent employees can purchase health coverage in the large group market.
- **Multiple employer trusts.** Employers brought together under a master contract issued to a trustee under a trust agreement for the purpose of providing coverage.
- **Union trusts.** Union employees under a labor trust fund in which the employer contributes to the fund but does not own the master contract.
- **Taft-Hartley groups.** Groups participating in trusts established under the authority of the Labor Management Relations Act of 1948. Group contracts for coverage are issued to the trustees representing one or more unions and/or employers, usually in connection to collective bargaining agreements.
- **Retirees.** Former employees who may be eligible for retiree benefits if offered by the employer after meeting age and other requirements.
- **Seasonal, temporary, and substitute employees.** Employees who are not hired on a permanent basis or who have a planned termination date.
- **Dormant or inactive companies.** i.e., a group that does not maintain an active business license to conduct business or is not actively engaged in commerce within the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., service area.
- **A group formed for the express purpose of purchasing health insurance coverage.**
- **A group that generates only rental income** unless ancillary services are provided to multiple units and the group has at least one common-law employee eligible to enroll in small group coverage.

**Note:** Existing Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., accounts will not be considered a new business unless the group is deemed eligible by Kaiser Permanente's Small Group New Business Department.



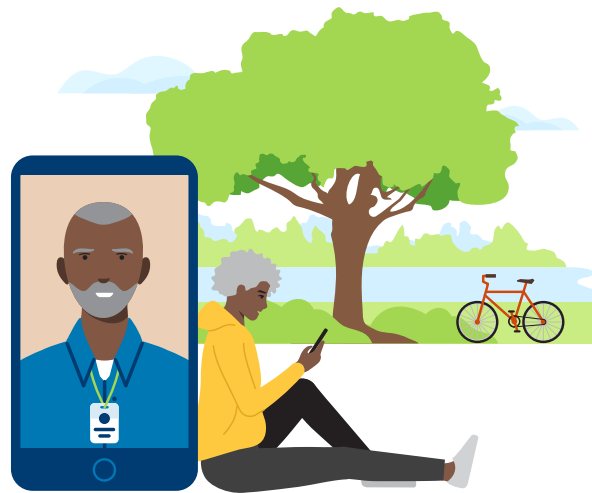
# Requirements for other group categories

## Groups based outside our service area

- If the business is located outside our service area, rates are based on the jurisdiction where the highest number of covered employees reside.
- A post office box or other purchased address cannot be used as the business' address. If we discover that a business is using an address other than the business' physical location, we may rescind or terminate their coverage.
- The employer must maintain business licensure or applicable state filings allowing the business to conduct business in the state (i.e., Secretary of State [SOS] filing). A commercial or home office is acceptable.
- If the group's home office is located outside the service area and the group's premium billing is sent to that location, then the location within the service area with the largest concentration of employees shall be deemed the group's situs.
- If the group's home office is located outside the service area, the group's premium billing is sent to that location, and the group has only staff working within our service area remotely from their homes, then the employees' home addresses will determine the group's situs. Where these employees reside in multiple jurisdictions, situs is based on the address of the most senior employee. No group may have more than one situs.
- If a group's sole or most senior employee lives in DC and works from home, the group should consult the DC health insurance marketplace (DC Health Link) for coverage.

## Out-of-area employees

- Out-of-area employees include those employees who live, work, or reside outside of the defined Kaiser Permanente service area. Based on the employer offering coverage to part-time employees, Kaiser Permanente will consider all full-time or full-time equivalents eligible for coverage as long as the employees are considered common-law employees and receive their paycheck from the employer's place of business located within the Kaiser Permanente service area.
- In addition to other product offerings, a small group Point-of-Service (POS) option is also available for employees who live or work outside of our defined service area. The POS product may be chosen as the primary product for enrollment by any employee considered eligible for participation.
- If a company has out-of-state employees, the maximum subscribership cannot exceed 49% of the overall group enrollment.



# Plan options

## HSA-/HRA-qualified plans

- See your Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., sales representative or call **301-816-6587**.

## Multiple plan options

- Groups with one to five enrolled subscribers can offer a choice of up to four HMO Kaiser Permanente plans, plus one PPO plan for a maximum of five plans.
- Groups with six or more enrolled subscribers can offer a choice of one or more HMO Kaiser Permanente plans, plus one PPO plan.
- Only one PPO plan may be offered in multiple plan options.

# Dental and vision

Starting on January 1, 2024, we are introducing Kaiser Permanente Smile, a complete oral care program offered in partnership with LIBERTY Dental Plan, a nationally leading dental plan administrator.

## Child dental

- All HMO and POS plans at each metal tier cover the ACA-defined essential health benefits which include child dental services.
- Child dental services apply to all members under 19 years old. Coverage continues until the end of the month in which the child turns 19.
- The KP Smile Kids Embedded Dental PPO is included with Kaiser Permanente's Flexible Choice and Added Choice POS medical plans. The KP Smile Kids Embedded Dental EPO is included with all other Kaiser Permanente medical plans.

## Adult dental riders (optional)

- Additional adult dental riders can only be purchased when the group first enrolls or at renewal.
- Additional adult dental riders are only available to those enrolled in a Kaiser Permanente medical plan and are aged 19 or over.
- When a group offers an adult dental rider, 50% of subscribers and eligible dependents must enroll.
- Available adult dental riders include:
  - » KP Smile SG Dental EPO
  - » KP Smile SG Dental POS
  - » KP Smile SG Dental PPO Basic
  - » KP Smile SG Dental PPO
  - » KP Smile SG Dental PPO High

## OrthoPlus cosmetic dental rider (optional)

Extra coverage for cosmetic orthodontic treatments is available through the Kaiser Permanente OrthoPlus rider, which covers all family members when added to any adult dental rider. Cosmetic procedures such as implants, veneers, and teeth whitening are included at the participating provider's negotiated fee.

The OrthoPlus rider is also available for children under age 19 without the purchase of an adult dental plan.

## Vision

All small group plans include:

- Ophthalmology
- Optometry
- Optical (includes a wide selection of eyewear)

All eye care services are conveniently located in several of our medical centers.

## Dental and vision guides

You can find dental and vision guides on BrokerNet, [account.kp.org](https://account.kp.org).



## General rating information

Plan rates include many variables, such as benefit costs associated with the delivery of health care for all our small group customers as a whole. Rates are adjusted according to rating factors applicable to the plan type. Final rates are based on actual group enrollment. They are **guaranteed for 12 months** and are valid only from the effective date contained in the group contract.

### Plan rating

Plan rates are calculated using two factors—rating area and member age. Claims or utilization experience are not used to determine member premium rates. Only the oldest three children in a family under the age of 21 are billed for health plans. All members in the same family must select the same health plan and dental rider. To include an adult dental rider, please include the rate for the dental rider selected per eligible member per month to the total premium. The dental rider rate does not apply to individuals under the age of 19.

- Rating area:
  - » If the business is located inside our service area, rates are based on the physical address of the business.
  - » If the business is located outside our service area, we will use the most senior employee's jurisdiction.
  - » A post office box or other purchased address cannot be used as the business' address. If we discover that a group is using an address other than the business' physical location, we may rescind or terminate their coverage.
- Member age:
  - » Each family member has a separate rate based on his or her age as of the effective date of the group contract. This rate will be used for the full contract year and updated yearly at renewal.
  - » If a family has more than three children under age 21, the premium for each additional child after the third will be \$0.

### Composite premium rating

Composite premium rating uses a four-tier coverage structure: Employee Only, Employee and Spouse, Employee and Child (ren), and Family. The total member-level premium for a group is calculated, then allocated to enrolled employees based on the family's composition.

If composite premium rates are elected, the monthly premium for each of the tiers will remain in effect throughout the entire policy period and will not increase or decrease to reflect changes in the group's census.

At least two subscribers must enroll in each plan offered in order to be eligible for composite premium rating. The composite premium rating is not available to groups that add an adult dental rider.



# Billing

## Paid as billed

All small groups will receive a monthly invoice. Each group must pay 100% of the total amount listed as due on their invoice. They must not alter premium payments to account for any changes. Any adjustments that have been made to the account, such as terminations or enrollments, will be reflected in the next billing cycle.

Groups generally will receive their invoice between the second and third weeks of the month. Changes that are processed prior to billing will be reflected on their current invoice. Any changes received after the billing cycle has commenced will be reflected on the following month's invoice. Enrollment changes and terminations should be reflected correctly on the next invoice.

## Proration rules

All small group contracts will be set up on a Daily Proration. The members will be enrolled or terminated based on the date of the written request. The group will be charged for the days in the month in which the member is active.



# Re-enrollment, reinstatement, and termination

## Re-enrollment

If your coverage has been terminated over 6 months (by the group or health plan), then you may request a new effective date for coverage to re-enroll as a new group provided you qualify for small group coverage. A new group number and contract will be issued.

## Reinstatement

For groups where your Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., coverage was terminated for less than 60 days, you may request reinstatement of your prior contract to avoid a gap in coverage. Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., will consider this request provided unpaid premiums are paid and you qualify for small group coverage. Groups that have canceled with Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., within 6 months are not considered New Business and should be submitted to the Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc., Account Management team.

## Group termination

Your group may terminate its *Group Agreement*, effective the day before any anniversary date, by giving at least 60 days of prior written notice to Kaiser Permanente. Please contact your account manager if you have any questions.

**DC (on Exchange) and Virginia:** The Group may terminate this agreement effective the day before any anniversary date by giving at least ninety (90) days' prior written notice to the Health Plan.

The Health Plan will extend benefits for covered services to members, with premium, as defined in the "Extension of Benefits" section of the *Evidence of Coverage*.

**VA Flexible Choice Plans:** The Group may terminate this agreement effective the day before any anniversary date by giving at least 90 days prior written notice to the Health Plan.

The Health Plan and KPIC will extend benefits for covered services to members, with premium, as defined in the "Extension of Benefits" section of the *Evidence of Coverage*.

**Please note:** Discontinuation of premium payments is not considered notification of termination of a group policy. Groups will be responsible for all premium payments through the end of the contract period.

## Termination by Kaiser Permanente

Kaiser Permanente may terminate a group for any of the following reasons:

- Fraud or intentionally furnishing incorrect or incomplete information
- Violation of contribution or participation requirements
- No eligible person lives, resides, or works in the service area (does not apply to the DC Small Business Health Options Program [SHOP])
- Non-payment of premium
- Non-acceptance of amendments
- Failure to meet minimum contribution, participation, or other offering guideline requirements

## Requesting termination

The employer can request termination by emailing their account manager. Upon receipt of a voluntary group termination, we will send you a voluntary group termination letter acknowledging the request and will notify you by mail when the termination of your group coverage is completed.

## Premium grace period

- Except for the binder payment for a group's policy, a 31-day grace period applies to all payments. If payment is not made during the grace period, Kaiser Permanente may terminate your group coverage.
- Groups that are terminated for non-payment must pay all premiums owed within 30 days before the contract will be considered for reinstatement.
- Groups that are terminated for nonpayment twice within a 12-month period will not be eligible for reinstatement. You must reapply for coverage.





## SHOP (Small Business Health Options Program)

SHOP helps small businesses with 1 to 50 full-time equivalent employees provide group insurance to their employees. It is also generally the only way to access the Small Business Health Care Tax Credit, which can save eligible employers up to 50% of their employer contributions.

**Healthcare.gov/small-business** is the resource for SHOP information. You will find information on SHOP eligibility, available plans, how much you may be able to save with the Small Business Health Care Tax Credit, and more.

### Participation requirements for on-exchange plans:

**Virginia:** Minimum participation requirement is 70% for all group sizes.

**Maryland:** Minimum participation requirement is 75% for all group sizes.

Minimum participation and employer contribution requirements are waived for small employers that apply during the annual open enrollment period of November 15 through December 15 of each year. This annual open enrollment period applies to small employers that apply through SHOP or directly through a carrier and are reserved exclusively for January 1 coverage effective dates.

### Below are the links to enroll for each jurisdiction:

District of Columbia:

- [dchealthlink.com](https://dchealthlink.com)

Maryland:

- [marylandhealthconnection.gov](https://marylandhealthconnection.gov)

Virginia:

- [healthcare.gov](https://healthcare.gov)

## Kaiser Permanente Small Group

## MID-ATLANTIC STATES



Kaiser Permanente broker resource website:  
**[account.kp.org](https://account.kp.org)**



Kaiser Permanente website:  
**[kp.org](https://kp.org)**



Kaiser Permanente small group submission:  
**[MAS-Small-Group-New-Business@kp.org](mailto:MAS-Small-Group-New-Business@kp.org)**

