



## 11/05 Small Business Group Standard Underwriting Guidelines

### Eligibility:

- ◆ 2-50 eligible employees with over 50% of the total group located in California, subject to Out-of-area requirements below.
- ◆ Out-of-Area Requirements
  - A maximum of 49% of the group's enrolled and/or eligible population may be out of California's service area, subject to the following rules.
  - Those employees who are out of the California service area but are in the Out of State PPO service area may be written on a PPO plan.
  - Those employees who are not in the California service area or Out of State PPO service area may be written on a Flex.
- ◆ Probationary period for new hires must be no less than the first of the month following the date of hire and no longer than the first of the month following 6 months.
- ◆ Eligible employees can be defined as employees working at least 20 or 30 hours per week.
- ◆ If the group can demonstrate a 1099 has been affiliated with the employer long enough to be tied to the company through a federal tax return, he or she may be considered eligible.
- ◆ With the exception of owners or 1099 employees, all employees must be covered by workers' compensation.

### Contribution/Participation:

- ◆ A minimum of 50% employer contribution to employee rate is required.
- ◆ Participation requirements are based on plan offering, see the Enrollment section of this document for additional information.
- ◆ Employees waiving coverage due to group coverage through another employer (i.e. spousal coverage) will not be counted as eligible.

### Rate Information:

- ◆ 12 month rate guarantee.
- ◆ Rating is based on employee residence.
- ◆ Composite and age rates are available for HMO, Elect Open Access, Select POS, and Salud plans with 10 or more enrollees on a given plan.
- ◆ Age rates are available for PPO and Flex.

### Health Statements:

- ◆ Individual Health Statements are required for:
  - Groups of 1-5 enrolling who are eligible for an industry discount.
  - Groups of 6-9 enrolling.
  - The individual indicated on the Group Level Health Statement.
  - Carve-outs.
  - Non Guaranteed Issue groups of any size.
- ◆ Group Level Health Statements are required
  - For groups of 10 or more enrolled subscribers.

### Dual Choice:

- ◆ No two products from the same family may be written on a dual choice basis.
- ◆ Health Net's HMO, and Elect Open Access products may not be written alongside each other.
- ◆ A Health Net Salud and/or Flex product may be added to a single or dual choice offering.

### Submission:

- ◆ All cases requesting coverage on the 1<sup>st</sup> must be submitted by the 5<sup>th</sup> of the month for which coverage is to be effective.
- ◆ For groups effective on the 15<sup>th</sup> cases must be submitted by the 20<sup>th</sup> of the month for which coverage is to be effective. *Note:* This option is available for groups losing coverage mid-month only.

### Enrollment:

- ◆ Groups of 2-5 enrolling
  - Health Net must be the sole carrier.
  - A minimum of 75% participation is required.
  - Single choice plan selections only.
- ◆ Groups of 6-50 enrolling-Sole Carrier
  - Single and dual choice plan selections available.
  - A minimum of 75% participation is required.
- ◆ Groups of 6-50 enrolling-Alongside Another Carrier
  - A Health Net HMO or Elect Open Access plan may be written alongside any other carrier as long as Health Net's participation is 50%. *Note:* Any Health Net plan offered with Silver Network is excluded from this offering.
  - A Health Net PPO product may be written alongside any other carrier as long as Health Net's participation is 75%.
  - A Health Net HMO or Elect Open Access may be written on a dual choice basis with a PPO plan as long as Health Net's participation is 75%. *Note:* Any Health Net plan offered with Silver Network is excluded from this offering.

### Carve-Out Plans:

- ◆ Health Net must be the sole carrier offered to the carve-out population.
- ◆ Non-Guarantee Issue (unless coverage is offered to 100% of the eligible employees in 1672 groups).
- ◆ Individual Health Statements required.

### Salud Mexico:

- ◆ A minimum of 2 enrollees is required when Health Net is alongside another carrier.