

Underwriting Guidelines

For groups of 2 to 50 employees

Group Health Cooperative, which offers Group Health plans, and its subsidiary Group Health Options, Inc., which offers the Options and Alliant Plus plans, both follow the underwriting guidelines described below. We are jointly describing them here for your convenience.

COVERAGE START DATE

For coverage to begin on the:

1st of the month

15th of the month

All completed materials must be received by:

The 20th of the previous month

The 5th of the month

EMPLOYER GUIDELINES

1. Small group definitions

A small group is a business with 2–50 employees, as defined under RCW 48.43.005(10) and (24).

Groups that have 51 or more employees (in state or out of state), but have 50 or fewer employees living in the Group Health Cooperative or Group Health Options service area, do not meet the small group definition. They must be underwritten as a medium/large group.

COBRA employees are not included in the 50 employee count when determining if a group is a small group.
Example: 48 employees and 3 employees on COBRA would be a small group.

2. Conditions of offering

- a. Sole health plan (sole carrier) coverage is a requirement under the following offerings:
 - All Options and Alliant Plus point-of-service plans are offered only as a sole health plan.
 - Group Health plans are offered only as a sole health plan for groups of 2–9 employees.
- b. Dual Choice coverage is available alongside another carrier under the following conditions:
 - Group Health plans can be offered as a dual choice with another carrier for groups of 10–50 eligible employees.
 - The Group Health plan must have a minimum enrollment of 20 percent of eligible employees.
- c. For small groups with 25–50 employees, the group can choose to offer two plans from the same carrier—either Group Health Cooperative or Group Health Options, Inc. For example, you can choose a combination of Options and Alliant Plus point-of-service plans offered by Group Health Options, Inc., or two Group Health plans offered by Group Health Cooperative. Each of the plans offered must have a minimum enrollment of 5 employees.
- d. Residency requirements are as follows:
 - For Group Health plans, 100 percent of covered employees must reside within the service area.
 - For Options and Alliant Plus plans, 90 percent of covered employees must reside within the service area.
- e. Benefit and eligibility changes can be made only during the renewal of the contract anniversary date. A 30-day open enrollment period is required one month before renewal of the contract each year.
- f. For groups of 2–3 employees, 100 percent of employees not covered by similar existing coverage must participate/enroll. For groups of 4 or more employees, at least 75 percent of eligible employees not covered by similar existing coverage must participate/enroll.
- g. Employers must pay a minimum 70 percent of the employee coverage to qualify for group insurance.
- h. The entire amount of the group's monthly premium must be prepaid on a single business check.
- i. If a group is canceled due to nonpayment of premium, the group cannot reapply for coverage for 12 months.
- j. Worker's compensation coverage is required for all employees who are not exempt from occupational coverage. The plan does not cover on-the-job injuries for employees. The only exception is for owners or partners of the business who are exempt and have declined worker's compensation coverage. Dependents of owners or partners (employed somewhere else) are not eligible for this group's workers' compensation.

3. Employee and dependent eligibility

- New employees/dependents must enroll within 31 days of becoming eligible for an effective date matching the eligibility date, or they must wait until open enrollment. Newborns must be enrolled within 60 days of birth.
- All employees enrolling must complete an Enrollment Application. Eligible employees who decline to enroll must complete a Waiver of Coverage form.
- The subscriber's legal spouse and unmarried dependent children are eligible. Children are covered up to age 25.
- Domestic Partner coverage is available upon request by the employer.
- The probation/waiting period can be no longer than 180 days.
- The employee must enroll in order for dependents to enroll.

4. Rates

Group rates are created by taking a group's census and calculating an averaged premium requirement based on that census for each specific rating category. This is often referred to as composite rates. Group Health Cooperative and Group Health Options, Inc. reserves the right to re-rate groups based on actual enrollment at initial sale.

5. New group business verification

For groups of 2–3 subscribers, the group must show proof of being a business by submitting the appropriate tax documentation forms as listed here:

Sole Proprietor	1040 and Schedule C (first and second page of 1040 including signature by the taxpayer)
Farmer	1040 and Schedule F (first and second page of 1040 including signature by the taxpayer)
Corporation	1120 (first four pages with preparer's or owner's signature)
Subchapter S Corporation	1120S (first four pages with preparer's or owner's signature)
Partnership	1065 (first four pages with preparer's or owner's signature)
Nonprofit	990
Religious Organizations	Tax forms not required

VISION RIDER & DENTAL PLAN GUIDELINES

A vision rider can be purchased to add to the medical coverage. This rider cannot be purchased on a stand-alone basis. Dental coverage can also be purchased in addition to the medical coverage plan. Washington Dental Service (WDS) provides the dental plan to groups with 2 or more unrelated employees. 100 percent of members, including dependents, enrolling in the medical plan must also enroll in the dental plan if a dental plan is selected.

APPLICATION CHECKLIST

To apply for group coverage, we will need the following from the employer:

- Signed employer application.
- A copy of employer's license to do business in Washington state.
- Enrollment form for each employee wanting coverage.
- Waiver form for each eligible employee declining coverage.
- First month's premium to be paid by business check.
- A copy of the last premium bill from the prior medical plan carrier, if applicable.
- If you have employees eligible for Medicare, please call us; there are additional forms these employees must complete to meet regulatory requirements.
- For groups of 2–3, we also require a copy of the appropriate tax documentation forms listed under Section 5. "New Group Business Verification."