



# Guidelines

for Small Group

**Effective October 1, 2012**

*(Guidelines are subject to change. Please visit the broker support library or contact your Empire sales representative to ensure you have the most recent version of these guidelines.)*

**Empire BlueCross BlueShield aims to make it easy for you to sell and enroll Small Groups. It's as simple as one, two, three!**

**Enroll groups 2-50 in three steps:**

- 1 Establish eligibility
- 2 Credential groups
- 3 Submit the paperwork

**Plans covered in this guide:\***

Empire EPO Essential, Empire PPO,  
Empire Total Blue<sup>SM</sup>,  
Direct HMO, HMO

\*Empire also offers Healthy NY for Small Groups. Please see the eligibility guidelines established by New York State for more information. Empire also may offer additional plans not covered in this guide.

# Step 1: Establish Small Group Eligibility

Your groups must meet the following requirements

## Eligibility guidelines for groups 2–50

### Group size

Small Groups are defined as businesses and other organizations that have between 2-50 eligible employees/members. Retiree-only and COBRA-only groups are not eligible for coverage.

### Employee status

#### Eligible employees

Active full-time employees working at least 20 hours per week

Partners and owners who provide tax forms or other official documentation to confirm status

Elected public officials of a county, municipality or school district for municipal groups

#### NOTES:

Employees enrolled in another health plan are counted as eligible.

Employees who elect spousal coverage are counted as eligible.

In determining group size, all segments of the organization and eligible employees in all locations, excluding non-U.S.-based employees covered by government health insurance, must be counted as eligible.

Segmentation is not permitted.

#### Ineligible employees

Part-time, temporary and workers that are not hired to work a full year\*\*

Consultants and independent contractors (1099 employees)

Directors and officers who do not qualify as owners, partners or employees

Foreign employees covered by their country's government health insurance

#### Other conditional circumstances

COBRA employees are not counted toward group size but may elect to continue coverage through the group plan, if eligible.

Retirees may continue coverage if they have existing financial ties to the group and the employer pays at least 50% of premium.

Enrolling retirees will be counted when determining group size (no retiree-only groups).\*\*\*

Leased employees may be eligible for coverage if their Professional Employer Organization (PEO) agreement makes the leasing employer responsible for benefits.

Union members covered by a union-sponsored health plan are not counted as eligible. Union members who are not offered coverage by their Union may be counted as eligible and may enroll in the employer's group coverage.

A group consisting of only a husband and wife, or, only a parent and adult child, both of whom are employees, must meet 2 contract minimum (except for HMO).

\*\*Exceptions for regularly employed seasonal workers may apply

\*\*\*Retirees must maintain continuous enrollment with Empire through a group sponsored by their former employer with whom the retiree was covered as an active employee with no interruption.

## Eligibility guidelines for groups 2–50

Minimum participation. Segmentation is not allowed.

Product	Minimum participation
Empire PPO, Empire Total Blue <sup>SM</sup> , Empire EPO Essential	<ul style="list-style-type: none"> <li>• Two enrolled contracts minimum</li> <li>• 60% of total eligibles (includes all full-time employees)</li> <li>• Empire must be the sole carrier offered by the group</li> </ul>
HMO and Direct HMO	No participation guidelines but the group must have two active employees

### Employer location

Small Group businesses must have a bona fide New York office location within Empire's operating area. (A billing address alone is not sufficient.)

Empire's operating area is divided into six regions for all medical products (excluding Empire Total Blue) and rates are based on employer location, which includes the following New York counties:

- *Downstate I:* Bronx, Kings, Richmond and Rockland counties
- *Downstate II:* Nassau, New York, Queens and Suffolk counties
- *Mid-Hudson:* Dutchess, Orange, Putnam, Sullivan, Ulster and Westchester counties
- *Capital:* Albany, Rensselaer and Schenectady counties
- *Upstate I:* Columbia, Delaware, Greene, Montgomery, Saratoga, Schoharie, Warren and Washington counties
- *Upstate II:* Clinton, Essex and Fulton counties

Empire's operating area is divided into three regions for Empire Total Blue and rates are based on employer location, which includes the following New York counties:

- *Downstate:* Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk and Westchester
- *Mid-Hudson:* Dutchess, Orange, Putnam, Sullivan and Ulster
- *Upstate:* Albany, Clinton, Columbia, Delaware, Essex, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady, Schoharie, Warren and Washington

**Please Note:** Additional rules may apply to dependent- and Medicare- related coverage eligibility determinations. Contact us for more information

## Eligibility guidelines for groups 2–50

### Rating guidelines

#### **All medical products** (rates based on employer location)

- Only 4 Tier pricing is available

#### **EPO Essential, Empire PPO and Empire Total Blue**

These plans are supported by the national BlueCard network. Eligible employees living anywhere in the United States are able to enroll in these plans with the exception of the following EPO restricted states: AZ and HI.

#### **Direct HMO/HMO**

In order to enroll, eligible employees must live or work in Empire's operating area or in the contiguous counties of New Jersey and Connecticut (subject to exception written below).

- **New Jersey Contiguous Counties:** Bergen, Hudson, Middlesex, Monmouth, Passaic, Sussex and Union HMO enrollment will count towards participation levels
- **Connecticut Counties:** Fairfield, Litchfield, Hartford, Middlesex, New Haven, New London, Tolland and Windham

(Please note: Some members residing outside of Empire's operating area or the contiguous counties to the Empire operating area may choose to enroll in the Direct HMO plan with the understanding that they are limited to the Empire contracted provider network for in-network coverage.)

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### Supplemental Health Plans (gap plan) and Employer Funding

Empire considers underlying plans or arrangements that partially or completely subsidize member cost sharing, such as copayments, deductibles and/or member coinsurance, and Employer funding of deductible in excess of 40% as material to the provision of coverage. In determining premium rate for small group products, we assume there are no such underlying plans, sometimes referred to as "gap plans," or Employer arrangements to subsidize any portion of member cost-sharing and that the Employer won't put in place any such plan or arrangement.

It's important for us to understand when underlying plans or arrangements are in use and/or when the Employer offers a plan or arrangement to fund deductible in excess of 40%.

Accordingly, we ask that you notify us promptly in writing if you offer such a plan or subsidy, and, if so, that you describe the underlying plan or arrangement.

**Please Note:** Additional rules may apply to dependent- and Medicare- related coverage eligibility determinations. Contact us for more information.

## Step 2: Credential Groups

This section outlines documentation Empire needs to establish eligibility for Small Group coverage. We reserve the right to ask for additional documentation or accept alternate forms as necessary.

### Employer eligibility

Category	Documentation
<b>Business verification</b>	<ul style="list-style-type: none"><li>• The latest NYS-45 (NYS Quarterly Combined Withholding and Wage Report) or related Quarterly filings from other states, all must be provided to establish group size</li><li>• If unavailable (in the case of newly established businesses or for other acceptable reasons), Empire may accept:<ul style="list-style-type: none"><li>○ A complete and current payroll listing containing company name, employee name and SSN or other ID number.</li><li>○ If payroll is not available, a letter from a CPA, attorney or authorized officer of the company, stating relationship to the company and explaining why the NYS-45 is not available, listing the group's federal tax ID number, all current owner's and/or employee's names, SSN or other ID number, and indicating eligibility status.</li></ul></li></ul>
<b>New businesses</b>	<b>SS-4 or filing receipt</b> <ul style="list-style-type: none"><li>• IRS tax exemption notification (Form 990 or equivalent).</li><li>• If NYS-45 is filed by the employer, it must be provided.</li><li>• If NYS-45 or complete payroll report is not available, please provide a letter from an authorized officer of the organization on organization letterhead listing all the employees or affiliated persons (even if they are not enrolling in the group). Include name and SSN or other ID number, number of hours worked, position and their eligibility status. If an individual is listed as ineligible, the reason must be stated.</li></ul>
<b>Labor Union groups</b>	<ul style="list-style-type: none"><li>• To be eligible, the union must have been in existence for at least two years.</li><li>• Employee eligibility is based on active union membership.</li><li>• The labor union must be the policy contract holder.</li><li>• Eligible members are individuals for whom the union is the exclusive representative for collective bargaining purposes.</li></ul>
<b>New employees not listed on NYS-45</b>	<ul style="list-style-type: none"><li>• W4, payroll stub, or cancelled payroll check (including company name, employee name and Social Security Number).</li></ul>

## Employer eligibility

### Owners, partners, elected officials

(Note: Officers and board members must meet employee qualifications.)

- If not listed on payroll or NYS-45, acceptable forms include Schedule C.
- Schedule K-1, Form 851, Form 990, Form 1120 including schedule E, other tax documentation that substantiates proof of eligibility.

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### Full replacement

- NYS-45 clearly showing status of all employees (terminated, part time, etc.).

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### Portability

- Proof from previous carrier containing covered person's name, contract type, level of benefits and period covered.
- Please note that Empire has an 11-month waiting period for pre-existing conditions unless portability has been established.

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### Out-of-area employees

- Quarterly Wage Report or equivalent state tax filing for area, with address of the out-of-area site. This must be submitted for all employees working outside of Empire's operating area.
- At least 60% of subscribers must reside within Empire's service area to be eligible for coverage. Empire's service area consists of 28 New York counties.

## Step 3: Submit Paperwork

Please submit a complete sales package at least 10 business days before the requested effective date.

### Sales package requirements — please provide:

#### Signed group application

#### Group contract for Community HMO

#### HSA account service agreement

#### New member Application

#### First premium

- Be sure to fully and accurately complete the application for timely group setup.
- Provide all requested information, including additional riders and open enrollment period.
- Required for all Empire Total Blue sales when group is establishing an account with our HSA custodian.
- Be sure to fill out completely and include member's Social Security HSA account Number and dependent information.
- All new groups must submit first premium on a company check whether they have a monthly or quarterly payment plan.
- New businesses may submit bank check or money order. (Please be sure the name of the group is clearly noted when sending in bank check or money orders so that payment can be properly applied.)

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#### Credentialing documentation

#### Submitting paperwork For renewals

- Include copies of all credentialing documentation (as described in Step 2) with the group and member applications.
- When requesting changes within the same plan the following documentation is required: letter from the group or renewal worksheet and web quote.
- When requesting a plan change (e.g. HMO to PPO) or adding a new plan, the following documentation is required: renewal worksheet/web quote and credentialing documentation.

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#### Other helpful information:

- Riders must remain effective for at least 12 months. If a group discontinues a rider, that group may not repurchase that rider for at least 12 months following the date of discontinuance.
- Changes in group eligibility, rate structure or benefits may be made only on the group's renewal date.
- The group is required to promptly notify Empire if it ceases to qualify as a Small Group of between 2-50 eligible employees.



## Other important information

Effective dates for new business are on the 1st and 15th of the month.  
New business must be submitted at least 10 business days before the effective date.  
Any incomplete sales packages may delay your client's effective date.

### **Mailing address**

Please send your completed sales packages to:  
**Empire BlueCross BlueShield**  
**3 Huntington Quadrangle**  
**Melville, NY 11747**  
**Attn: Enrollment & Billing, 3rd floor**

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### **Empire support**

#### **Broker Relations**

We're dedicated to helping brokers write new business for Small Groups. Broker Relations is available Monday through Friday from 8:30 a.m. to 5 p.m. at 877-222-7666.

#### **Submit renewals to:**

Fax: 1-800-780-1224

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### **Broker website**

For the most up-to-date eligibility guidelines, plan information, quoting tools, online renewals and forms, please visit [empireblue.com](http://empireblue.com) and click on "Brokers."



These guidelines represent a summary of Empire BlueCross BlueShield's Small Group participation guidelines and should not be relied upon as a full explanation of Empire's Small Group eligibility and credentialing requirements. For additional information, please contact Empire.

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