

## ALL GROUPS – OXFORD HEALTH INSURANCE, INC. (OHI) & OXFORD HEALTH PLANS (NY), INC.

### I. The following underwriting requirements apply to all applications or renewals of coverage on our OHP HMO and our OHI insurance products.

- A. **Group Size Requirements:** To be eligible for small group coverage, a group must be located in a county where we offer Oxford products (see Section I.C for more information about the Service Area) and have at least one (1) but not more than fifty (50) eligible employees. (See Section I.B for the definition of eligible employees.) The following are not counted toward group size:
- any person who performs services for the company that are reported on an IRS 1099 form (such a person is not an employee and is not eligible for coverage); or
  - any former employee who is covered through retiree benefits, the Consolidated Omnibus Budget Reconciliation Act (COBRA) or state continuation.
  - an individual business owner and his or her spouse (“sole proprietors”), when there are no other employees. Under the Affordable Care Act (ACA), these sole proprietors are not considered “employees” and are not eligible to purchase group health coverage. At least one other person needs to be employed and enrolled on the plan to be considered a group.
    - These individuals are not considered a group of one (1) and will need to purchase individual coverage,
    - Spouses are not considered employees even if they are on the payroll.

If the employer does not offer group health coverage to all eligible employees, group size will be calculated based on the number of eligible employees in the Service Area or Expanded Service Area (if applicable). (See Section I.B-C and II.D.)

Groups that no longer meet the small group size requirements will be offered coverage in accordance with their appropriate market segment and will no longer be eligible for a small group plan. If we learn this during an audit, the offering of the appropriate product may occur after we send information about small group replacement options. (See Section I.E-F for information about audits and documentation requirements.)

- B. **Eligibility:** Eligible employees and eligible former employees can be enrolled in Oxford small group products. All eligible employees and eligible former employees must live, work or reside in the Service Area or if applicable the Expanded Service Area (See Section I.C for more information.)
- **Eligible employees:** Active permanent employees of the employer and of all subsidiaries or affiliates of a corporate employer who work 20 or more hours per week and are eligible for health benefits through the employer’s group health plan. Owners and their spouses who work 20 hours per week are eligible for coverage as long as at least one other person is employed and enrolled. (See Section I.A. Bullet 3 for more information.) Eligible employees do not include:
    - any person who performs services for the company that are reported on an IRS 1099 form (such a person is not an employee and is not eligible for coverage);
    - any former employee who is covered through retiree benefits, COBRA or state continuation;
    - any employee who does not live, work or reside in the United States
    - co-employees of a Professional Employer Organization (PEO), Employee Leasing Company (ELC) or other such entity that is a co-employer with a client of client-site employees; or
    - an individual proprietor and his or her spouse (“sole proprietors”) when at least one other person is not employed. (See Section I. A above.)
  - **Eligible Former Employees:** Former employees eligible for COBRA or state continuation can be enrolled in Oxford small group products for the period allowed by law. If the employer offers retiree benefits, all eligible retired former employees, can be enrolled in Oxford small group products.
  - **Valid Employer Class(es):** An employer may elect to offer coverage to a class of employees based on conditions pertaining to employment: geographic situs of employment, earnings, method of compensation, hours and occupational duties. Employees who work less than 20 hours per week are not eligible employees and may not enroll in any Oxford products.

Example: Employer may elect to offer coverage only to employees who work at least 40 hours per week.

**C. Service Area:**

- Our service area consists of the counties where we are licensed and authorized to sell products and have approved products and rates. Our Service Area consists of Bronx, Dutchess, Kings, New York, Orange, Putnam, Queens, Richmond, Rockland, Nassau, Suffolk, Sullivan, Ulster & Westchester. Members covered through our OHP products must live, work or reside in these counties.
- For our OHI products, we have filed an additional rider that will allow members to live, work or reside in areas outside of the above Service Area. (See Section II.D. for more information about the Expanded Service Area.)

**D. Multiple Plan Design Rules:**

- Multiple plan design options can be offered as point of enrollment (POE) (e.g., High Plan vs. Low Plan) or by class distinction (e.g., Salaried vs. Hourly).
- Additional multiple plan design rules apply to OHI (see next section).
- If a renewing group makes a plan change, the OHI multiple plan design rules (below) will apply.

**E. Documentation Requirements:** We require documents from new groups as part of a group's initial enrollment and for groups making changes on renewal. If documents are not provided within the required timeframe, the group will be denied enrollment. Most documentation can be submitted using IDEA, our online enrollment tool. We also may audit a new or renewing group before or after enrollment/renewal. If post enrollment/renewal, an audit shows the group did not meet the requirements at the time of enrollment and was not eligible for coverage, the group will be terminated.

Required documents:

- Group Application (new business) or Certification Form (renewing business)
- Eligible waivers (required for all new business, renewing groups on audit and groups renewing into a new market segment)
- The Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return Form (NYS-45) or alternative tax documentation detailed in "Instruction Sheet – Oxford NYSG Tax Form Submissions."

Additional documentation may be required upon audit.

**F. Additional Requirements for Healthy New York small groups (OHP):**

- New and renewing groups must apply for and meet the eligibility requirements of the Healthy New York law and regulations, this includes the required employer contribution.
- The group size, required hours for eligible employees and Service Area described above in Sections I.A - I.C apply to all Healthy New York small groups.
- Groups may be subject to audit at any time during the year and additional documentation may be required.
- On January 1, 2014, Healthy New York small group coverage will be replaced with a new ACA compliant plan at the Gold level to meet new legal requirements and will have new rates. This will be the only Healthy New York plan design option available.
- Although the plan design will change on January 1, Healthy New York small groups will remain on their current renewal cycle and must meet all requirements as part of the group's recertification, including Healthy New York documentation requirements. A renewing group that does not submit recertification information timely will be terminated and will need to reapply for coverage.

**II. The following additional requirements apply to all applications or renewals of coverage on our OHI insurance products.**

**A. Open Enrollment Period (New Business):**

- From November 1 through December 31, the minimum participation requirements in Sections II.B and II.C will not apply to **new** groups applying for coverage. For example a group with a 1/1/14 **new business** date would be eligible to enroll from November 1 – December 31, 2013.

**B. Minimum Participation – Calculation:**

- A minimum of 51 percent of all eligible employees after valid waivers must be enrolled.
  - Valid waivers consist of: Spousal, Medicare, Medicaid and Veteran’s Coverage.
  - If the group offers retiree coverage, a minimum of 51 percent of all eligible employees after valid waivers and all eligible former retired employees must be enrolled. (Additional documentation may be required on audit to confirm retirees’ eligibility for coverage.)
- To determine total enrollment for the purpose of calculating participation, we will count both eligible employees and eligible former retired employees (if applicable) enrolled in both OHI and OHP products. Former employees enrolled through COBRA or state continuation are not counted.

**C. Minimum Participation – Other Employer Sponsored Coverage:**

- Other employer sponsored health insurance coverage may not be offered alongside OHI products. Because our participation requirement is 51%, this would prevent both carriers from meeting New York state minimum participation requirements.
- Other employer sponsored HMO coverage may be offered alongside OHI products, but is not considered a valid waiver and may impact a group’s ability to meet minimum participation requirements for OHI products.

**D. Expanded Service Area - Eligible Employees Located Outside of the Service Area:** We filed a Rider with the Department of Financial Services (DFS) that provides additional out-of-area enrollment options.<sup>1</sup> Eligible employees who live, work or reside outside of our Service Area (defined in Section I.C, Bullet 1 above) may be covered on OHI products that provide for out-of-area coverage in the employees’ location. These OHI products are available only to the extent OHI may deliver out-of-area coverage in the employees’ location. The Employer must be located in one of the counties in our Service Area defined in Section I.C, Bullet 1. When an eligible employee is located outside of the Oxford service area, the following additional rules apply:

- OHI Gatekeeper plans– For plans that require referrals from a Primary Care Physician (PCP) to other Participating Providers, an eligible employee may live, work or reside in the state of NY, NJ or CT.
- OHI Non-gatekeeper plans – For plans that do not require referrals from a Primary Care Physician, eligible employees may live, work, or reside in a state in which we are authorized to deliver a Certificate of Coverage. The list of locations may change from time to time due to regulatory requirements. This list presently includes NY, NJ, CT and other states outside of the New York tri-state area. The list is available by calling Client Services at 1-888-201-4216. Out-of-area enrollment in these plans cannot exceed 75 percent of the total employees enrolled on all Oxford New York products.

**E. Classes:** Coverage may be limited to specific class(es) of employees if they are the only employees offered coverage on the New York OHI product.

- Class(es) may be determined only by conditions pertaining to employment: geographic situs of employment, earnings, method of compensation, hours and occupational duties. As noted previously, our products are not available to cover employees who work less than 20 hours per week.
- Example: Employer only offers coverage to employees who work 40 hours per week.
- Example: If employer only offers coverage to a management class, coverage is available for the class. However, if the group offers coverage to both management and non-management employees in the New York service area, both classes must be covered by Oxford; OHI coverage is not available only for the management class.

**F. Multiple plan design rules:**

- Groups may select two OHI plan design options as long as there is enrollment in both plans.
- More than two OHI plan design options will not be allowed.

<sup>1</sup> Subject to regulatory approval.