



SMALL GROUP UNDERWRITING GUIDELINES

The following underwriting requirements apply to all applications and renewals of coverage for Crystal Run Health Plans including Crystal Run Health Plan, LLC and Crystal Run Health Insurance Company, Inc.:

A. Group Size Requirements: To be eligible for small group coverage, a group must have a physical location within the service area, have eligible employees who either live, work or reside within the service area and have at least 1 but not more than 50 eligible employees in the State of New York. *In the event NYS requires an increase in the maximum number of eligible employees for small group coverage, the higher number will apply here.* (See Sections A. and B. for eligible/ineligible employee definition.) The following do not count towards group size:

- Persons whose pay is reported on a 1099;
- Former employees covered through retirement benefits, COBRA or state continuation;
- Individual proprietor and/or spouse with no other employees. (For purposes of group size, spouses of owners are not considered employees even when on payroll);
- Multiple owners/partners and/or spouses with no other employees;
- An eligible employee is not required in an LLC, C Corp or S Corp that has at least two owners who are not married.

B. Eligible Employees and Eligible Former Employees who can enroll:

- Active permanent employees of employer and all subsidiaries or affiliates of an employer who work 20 or more hours per week and are eligible for health benefits through employer's group health plan;
- Business owners of a group who work at least 20 hours per week for a business that meets the group size requirements in A., above, where such owners provide tax forms or other official documentation to confirm their status;
- Elected public officials of a county, municipality or school district for municipal groups;
- Former employees eligible for COBRA or state continuation, who provide their letter of election and a copy of their last payroll report, can be enrolled under the conditions and for the period allowed by law.
- Provided employer offers retiree benefits, all eligible retired former employees can be enrolled.

C. Ineligible Employees:

- Any person whose pay is reported on a 1099;

- Any leased employee or co-employee of a Professional Employer Organization (PEO) or Employee Leasing Company (ELC);
- Any seasonal or temporary employee;
- Any former employee who is covered through retiree benefits, COBRA or state continuation (except as provided in B., above);
- Any employee working less than 20 hours per week;
- Any employee who has not met their employers benefit waiting period;
- Directors and officers who do not qualify as business owners under B, above;
- Foreign employees covered by their country's government health insurance or who do not live, work or reside in the United States.

F. Other Conditions:

- Leased employees may be eligible if by PEO or ELC agreement the leasing employer is responsible for health care benefits;
- Valid Employer Classes: An employer may elect to offer coverage to a class of employees based on conditions pertaining to employment: geographic location of employment, earnings, method of compensation, hours (as long as greater than 20 per week) and occupational duties.
- Dependent coverage: When different last names, spousal or dependent coverage require a Federal 1040 form, or marriage or birth certificate, as applicable.
- For CRHP HMO there is no participation requirement but the group must have two (2) active employees.

G. Out-of-Area: Out-of-area (OOA) enrollment is not allowed. Eligible employees must either live, work or reside in a county where CRHP or CRHIC offers products, other than CRHIC USA products which allow no more than 20% out-of-area enrollment.

I. Multiple Plan Design Rules:

- Multiple plan design options can be offered as point of enrollment (POE) or by class distinction (e.g., Salaried vs. Hourly).
- All plan options must have the same riders (e.g., Vision, Dental, and Age 29). There can be variations in the rider benefit level among the options, if available;

- Rider rules do not apply if the rider is not available with the product selected;
- If a renewing group makes a plan change, plan design rider rules apply.
- Additional rules apply to CRHIC, see next section.

J. Documentation Requirements: If the below required documents are not provided within the required timeframe, the group will be denied enrollment, non-renewed, or terminated. Crystal Run Health Plans may audit groups before or after enrollment/renewal. If Crystal Run Health Plans enrolls or renews a group and a post enrollment/renewal 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
- Eligible waivers (required for all new business, for renewing groups on audit, and for groups renewing into a new market segment).
- Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return Form (NYS-45) or, for new employees only, a W-4 or payroll stub. If no NYS-45:
 - If C corp: Articles of incorporation, form 1120 (line 13 is wages) and payroll documents;
 - If S corp: Articles of incorporation, form 1120S (line 8 is wages) and payroll documents;
 - If LLC: LLC agreement and form 1120 and payroll documents;
 - If Partnership: K-1 or Form 1065 (line 9 is wages) and payroll documents and business license;
 - If a Church,: Form 941 (line 2 is wages) and payroll documents;
 - Businesses less than one year old: Corporation or Partnership papers and payroll documents.

Additional documentation may be required upon audit.

THE FOLLOWING ONLY APPLIES TO CRHIC EPO/PPO PRODUCTS

A. Minimum Participation

During a November 15 through December 31 Open Enrollment Period, the minimum participation requirements below, will not apply to new groups applying for healthcare coverage.

Otherwise, minimum 75% participation of eligible employees after valid waivers in any Qualified Health Plan offered by any combination of carriers.

(Valid waivers include Spousal, Parental, Medicare, Medicaid, Tricare and Veteran’s Coverage.)

In the case of eligible retired former employees, the number of retirees both participating and eligible would be added to the above formula. COBRA or state continuation former employees would not be counted as either participating or eligible. All employees eligible under Section B are counted as eligible whether or not they meet the group’s requirements for health coverage eligibility.

EXAMPLES:

Both of these scenarios would meet CRHIC minimum participation requirements:

	Sole Carrier	%	Dual Carriers	%
Enrolled in CRHIC or CRHP	15		10	
Enrolled with another carrier	0		25	
Waived Coverage – Valid	5		5	
Waived Coverage – Not Valid	5		5	
Total Eligible (under Section B, excludes ineligible)	25		45	
Total Enrolled CRHIC or CRHP	15	75.0%	10	25.0%
Total Enrolled Second Carrier	0	NA	25	63.5%
Total Enrolled Both Carriers	15	75.0%	35	87.5%
Total Eligible less Valid Waivers	20		40	

B. Multiple Plan Design Rules

- Up to three total product offerings may be made available;
- Rating tiers and domestic partner and age selections are the same for all products and carriers.