

2014 Compliance Requirements & Business Rules 2 to 50 Employees

1. Eligible employer groups must employ 2 to 50 employees .
2. An employer/employee relationship must be present for all employees.
3. The employer group must be in business for a minimum of three months prior to the effective date.
4. The *minimum* employer contribution toward *medical cost* must be no less than 50% of the employee-only premium of the lowest Actuarial Value plan selected by the group.
The employer contribution toward *medical cost* cannot exceed the actual cost of the monthly premium for any individual.
5. Union employees may be carved out. All other carve-outs are not permitted.
6. For groups that have been terminated for non-payment, prepayment of all premiums prior to ability to reapply will be required, and the group can only enroll during the special enrollment period from November 15 to December 15 each year.
7. Out-of-area (OOA) percent will be limited to the following:

Out-of-Area (OOA) Coverage	
# Eligible Employees	Maximum Out-of-Area Percent of Total Employees
2 to 6	No Coverage Available
7 to 20	15%
21 to 50	25%

8. If for any reason an existing group's OOA exceeds the 15% or 25%, as noted above, the group will not be eligible to renew. Calculations for OOA percent will round down.
9. Groups with 2 to 20 eligible employees may elect one (1) OOA plan. Groups with 21 to 50 eligible employees may elect two (2) OOA plans. Note: Rule is based on final plan options selected.
10. The only plans offered for OOA coverage are PPOs. The OOA plan must have a deductible and coinsurance equivalent to or of lesser value than the deductible and coinsurance of the in-area plan.
11. An employee must work ≥ 30 hours per week to be eligible for coverage (self-enforced by the group).
12. Part-time (<30 hours per week), absentee owners, seasonal workers, IRS 1099 contractors who are not employees, directors and trustees of the company, and Medicare-eligible retirees are not eligible for coverage (self-enforced by the group).
13. An owner must receive full-time compensation to be eligible for coverage.
14. All groups must submit a copy of the most recent PA UC-2A, which must contain the names, salaries, and weeks worked for all employees.
15. Employees who have been terminated or work part-time must be noted on the UC-2A.
16. New hires not on the UC-2A must have a W-4 or paystub submitted with the UC-2A.
17. There may be circumstances in which an employee is not on the UC-2A or when the company is not required to file a UC-2A. Refer to the following table for alternate types of acceptable documentation.

If a UC-2A is not available, submit one	
from Category A and one from Category B
Category A	Category B
IRS 1040 - Schedule C or F	K-1s or Articles of Incorporation
IRS 1065 - Partnership Income	K-1s or Partnership Agreement
IRS 1120 - Corporate Income	Current Business License
IRS 941 - Not-for-Profit Use Only**	Leases and Other Contracts
IRS 990 - Return of Organization Exempt from Tax**	

**Must submit copy of payroll journal; no Category B information required.

18. Employees will be permitted to enroll during the special enrollment period (November 15 to December 15) or at open enrollment. Employees experiencing a qualifying event will be permitted to enroll outside the special enrollment period (November 15 to December 15) or open enrollment. Enrollment is limited to a 30-day period after the qualifying event. A qualifying event is defined as:
 - a. Change in marital status
 - b. Birth or adoption of a child
 - c. Loss of affordable coverage
 - d. Change in employment status
 - e. A change in place of residence
 - f. Judgments, decrees, or orders
 - g. A change in coverage of a spouse or dependent under another employer's plan
19. A minimum of two eligible employees must be enrolled with UPMC Health Plan.
20. Minimum participation rules are below:
 - a. A minimum of 75% of eligible employees must have coverage in a health benefit plan either through a plan offered by an employer group, a spouse's employer group, the Marketplace, a government program (Medicare, Medicaid, military), a union, or other comparable coverage.

AND
 - b. A minimum of 50% of all eligible employees must be enrolled in a group plan offered by UPMC Health Plan.
21. Groups with 2 to 20 eligible employees may elect up to five plan options. Groups with 21 to 50 eligible employees may elect any number of plans.
22. Consolidated Omnibus Budget Reconciliation Act (COBRA) will be offered to eligible individuals who formerly received coverage through employer groups that have active enrollment in UPMC Health Plan and/or to those whom UPMC Health Plan is required to offer coverage under state or federal law. Total COBRA coverage cannot exceed 10% of total enrolled subscribers.
23. All employer groups must submit their first month's premium no later than the effective date of coverage.

24. Submitted applications/censuses must include those waiving coverage as well as COBRA participants, and must include:
 - a. Date of birth (including dependents)
 - b. ZIP code (including dependents)
 - c. Dependents
 - d. Tobacco usage (not required for applicants <18 years of age)
25. All applications must be signed/dated by the employee and spouse (if applicable). Adult dependents are not required to sign the application.
26. Quoted rates are subject to change based on validation of group demographics and compliance with all small market requirements.
27. Groups that meet all small market requirements may enroll during any month of the year.
28. Groups that do not meet all the small market requirements may only enroll during the open enrollment period, which is November 15 to December 15 each year.
29. Benefit plan changes are permitted only at renewal, and can only be increased one metal level per calendar year.
30. Medicare-eligible retirees ≥ 65 years old may not enroll in employer-based group coverage. UPMC Health Plan offers Medicare plans through UPMC *for Life*. For more information, prospective members can call 1-877-389-8313 (TTY/TDD: 1-800-361-2629).