

BUSINESS GROUP OF ONE UNDERWRITING GUIDELINES*



UNDER COLORADO LAW, AN APPLICANT QUALIFIES AS A BUSINESS GROUP OF ONE IF ALL OF THE FOLLOWING APPLY:

- 1) The applicant is a sole proprietor, self employed, or single full-time employee of a subchapter S corporation, non-profit corporation, C corporation, limited liability company, or partnership.
- 2) The applicant works at least 24 hours or more per week on a permanent basis.
- 3) The applicant's company must have had significant business activity for a period of at least one year prior to application.
- 3) The applicant's business must be located within the Kaiser Permanente service area. Please see the list of qualifying zip codes in the *Member Resource Guide*.
- 4) A substantial part of the applicant's income for at least one of the past three consecutive years must be derived from business activities. Substantial means the applicant's income is sufficient to pay for annual health insurance premiums.
- 5) If the applicant's account is cancelled for non-payment, he or she must wait six months to reapply and have paid all monies owed to Kaiser Permanente and he or she will be subject to a 30 percent rate-up for one year.

IF APPLICANT PASSES MEDICAL UNDERWRITING, HE OR SHE:

- 1) May enroll in any of our currently offered Small Group Plans.
- 2) May enroll at any time during the year.
- 3) MUST submit employment-related tax and withholding information from Federal and State tax returns (see Proof of Business on page 3).
- 4) Must fill out the health questionnaire under the Medical Information section of the Colorado Uniform Employee Application for Small Group Health Benefit Plans.

IF APPLICANT DOES NOT PASS MEDICAL UNDERWRITING, HE OR SHE:

- 1) May enroll in either of the following plans: Basic HMO or Standard HMO.
- 2) May ONLY enroll within the 31 days following any of these qualifying events:
 - Applicant has exhausted state or federal continuation coverage.
 - Applicant has involuntarily lost other creditable coverage.
 - Applicant just qualified for Business Group of One coverage—one year anniversary of business activity.
 - Applicant birthday.
- 3) Applicant must submit documentation to substantiate qualifying event.

* Kaiser Permanente reserves the right to modify enrollment requirements at any time.

DEPENDENT COVERAGE

Family dependents—spouses and/or dependent children under the age of 26, including natural children, stepchildren, legally adopted children and children under court-appointed legal guardianship. Coverage includes:

- Disabled dependent children are covered at any age
- Dependent children up to age 26
- Designated beneficiary, as defined in Section 15-22-103 (1), C.R.S., if an employer elects to cover a designated beneficiary as a dependent.

Out-of-Area students who are legal dependents are covered for 80 percent of billed charges for covered services which include urgent care, emergency care, and non-urgent care, up to a limit of \$1,200 per year. This applies to Small Group HMO members only and does NOT include those members enrolled in Small Group Standard or Basic HMO plans.*

MEDICARE

Effective January 1, 2006, new Medicare Part D prescription drug coverage is available to Medicare-eligible retirees/employees. Small Business Group employers have two options for Medicare Part D pharmacy benefits. Employers may elect to enroll Medicare-eligible retirees/employees in Medicare Part D pharmacy through Kaiser Permanente or apply for the Group Retiree Drug Subsidy from the Centers of Medicare and Medicaid Services (CMS). Contact your **Account Representative** for further details at **1-866-576-5527**, or **TTY 1-800-509-8779**.

ENROLLMENT DEADLINES

All materials must be completed and received in our office by the 10th of the month prior to the month of the requested effective date. For a list of required materials, please refer to the enrollment checklist on the next page.

Please note that we cannot process incomplete applications, and no exceptions will be made to the cutoff dates listed above. In order for a group application to be considered complete, all information must be received, in original format, and IN OUR OFFICE by the above cutoff dates.

OPEN ENROLLMENT

An annual open enrollment period is required for all groups, allowing members to add eligible members not previously covered. Newly eligible dependents—new spouses and newborns, for example—must enroll within 31 days of eligibility or wait until the next open enrollment period. Please call **303-306-2679** or **1-866-279-0704** for details.

RATES

In compliance with Colorado state insurance regulations, rates for all Small Group and Business Groups of One plans may be based on the individual age of an employee, family status, and standard industrial classification.

The plans described here are available to any small employer meeting the enrollment requirements listed. Premiums and any annual rate increases are determined by the actual costs experienced by the health plan and are applied to all small employer groups. Case characteristics used to determine rates are age (five-year bands), family composition, and standard industrial classification. Any small employer group meeting all provisions of the signed agreement with Kaiser Permanente for the duration of the agreement will have the right to renew.

To obtain a rate quote, brokers please log in at <https://co.kpquote.com>.

*Effective on or after January 1, 2006 for large and small commercial HMO groups, as well as Kaiser Permanente members in our Individual and Family plans, the following plans are NOT eligible for this benefit: Traditional, HSA-Qualified (Health Saving Account), or Out-of-Area Preferred Provider Option (PPO), Out-of-Area Indemnity, Point of Service (POS), Deductible Plans with HSA Option, Standard and Basic Small Group HMO plans.

KAISER PERMANENTE BUSINESS GROUP OF ONE NEW GROUP CHECKLIST - THE FOLLOWING INFORMATION IS REQUIRED FOR ALL NEW BUSINESS GROUP OF ONE ENROLLMENTS:

- Small Group Application** completed and signed.
- Kaiser Permanente Employee Census** listing applicant as the only employee.
- Colorado Uniform Employee Application for Small Group Health Benefit Plans** completed and signed. Remember to complete the Medical Information section before submitting your application. If you are not enrolling yourself, spouse, or other eligible dependent(s) you must also complete the employee/dependent waiver of coverage section on page two.
- Proof of Business** documentation must be for the company applying for health insurance coverage. Please submit **TWO** of the following:
 - Most recent Federal Tax Return (1065, 1120, 1120S or 1040) and relevant Federal Tax Schedules (Schedule C, SE or Schedule K-1)
 - Payroll Summary for one year or Form 1099
 - UITR (Unemployment Insurance Tax Report) for a one-year period
- We may also require one or more of the following:**

 - Articles of Incorporation
 - LLC Documents (Limited Liability Company)
 - Profit and Loss Statement
- Date of birth documentation** - please provide a legible copy of applicant drivers' license.
- First month's premium** - a pre-printed check, money order or cashier's check made payable to Kaiser Permanente for the calculated total premium amount. The Business Group of One must sign the check. Monthly premium should include any supplemental benefits being added to the insurance policy.
- Small Business Group Previous Health Coverage Affidavit** - if applicant has sponsored a health benefit plan at any time during the past 12 months, please attach a copy of the most recent bill.
- New Groups** - New group applications must include the nature of business or business activity and SIC code designation that was provided by Worker's Compensation.
 - Businesses that do not have employees and do not pay Worker's Compensation, should provide the nature of the business or business activity and SIC code applicable to the business.
 - If the SIC code provided by the group does not match the nature of business, and Underwriting is unable to verify through external websites, Underwriting will request additional information from the new group. The group and Underwriting must agree on the SIC code designation or the group will not be processed.

IN ADDITION TO THE ITEMS INDICATED ABOVE, THE FOLLOWING ITEMS MAY BE REQUIRED:

- Documentation of a Qualifying Event:**
 - Within 30 days of the anniversary of one year in business
 - Within 31 days of applicant birthday
 - Involuntary loss of health insurance coverage through no fault of applicant
 - Loss of COBRA, Continuation of Coverage
- Affidavit of Common Law Marriage**
- Domestic Partnership Cohabitation Declaration**
- Domestic Partnership Alternative Affidavit**
- Designated Beneficiary Agreement, if permitted by employer**