

# Underwriting Participation Guidelines

## GROUP SIZE DEFINITION

{ 2-50 }  
small group

### SMALL GROUPS

Small groups are defined as employer groups that employ two to 50 eligible employees. Seasonal employees must work at least nine months per year.

### Dual Option

Small groups may be allowed to offer two CDPHP products (dual option). Specific underwriting guidelines for small group dual options are as follows:

- CDPHP must be the sole health insurance provider.
- Offerings may include a combination of HMO and CDPHP UBI products.
- Group size must be five or more.
- Groups must have the same tier structure.
- Benefit spread must be greater than a \$5 per office visit copayment or there is a 10 percent or more rate difference between the base plans.
- When offered, both options must have the same drug coverage status, i.e., both options must offer drug coverage or neither may offer it.

### LARGE GROUPS

Large groups are defined as employer groups that employ at least 51 eligible employees. When CDPHP is the sole carrier, two CDPHP products may be offered (dual option).

{ >50 }  
large group

### Multiple Options

CDPHP has the flexibility and expertise to accommodate clients as a sole source carrier or a slice participant. Multiple options may be offered at the discretion of CDPHP.

## PRODUCT LINE REQUIREMENTS

### COMMUNITY-RATED HMO

Employer groups must be located in the CDPHP approved service area and have two or more active eligible employees, working 20 hours or more per week.

{ When CDPHP is the sole carrier, two CDPHP products may be offered (dual option). }

### COMMUNITY-RATED PPO, HDPPO, EPO, AND HDEPO

Available to small employer groups located in the CDPHP UBI approved service area.

- 2-50 employees who are regular full-time or part-time (20 hours or more per week) or seasonal working at least nine months per year are eligible.
- EPO—minimum enrollment of 50 percent of insured eligible employees.
- PPO—minimum enrollment of 75 percent of insured eligible employees.
- HDPPO—employer groups must have two or more active eligible employees working 20 hours or more per week.
- Final enrollment must include no more than 15 percent retirees.

#### EXPERIENCE-RATED PPO, HDPPO, EPO, AND HDEPO

Available to large employer groups located in the CDPHP UBI service area.

- 51 or more employees who are regular full-time or part-time (20 hours or more per week) or seasonal working at least nine months per year are eligible.
- 85 percent of eligible employees must live or work within the CDPHP UBI service area.
- Minimum enrollment of 75 percent of insured eligible employees.
- Final enrollment must include no more than 15 percent retirees.

#### ADMINISTRATIVE SERVICES ONLY (ASO)

These products are offered through Capital District Physicians' Healthcare Network, Inc. (CDPHN). ASO provides companies the management apparatus and network access to self-fund their health benefits programs.

- 250 or more employees, however, CDPHN will review smaller groups on a case-by-case basis.
- Stop-loss insurance quotes available.
- The proposed administrative fee is based on a per-contract per-month basis.

#### GROUP-SPECIFIC REPORTING

Account-specific reporting may be available, depending on the group's level of enrollment in a CDPHP plan.

#### PROOF OF ELIGIBILITY FOR A CDPHP CONTRACT (SMALL GROUP ONLY)

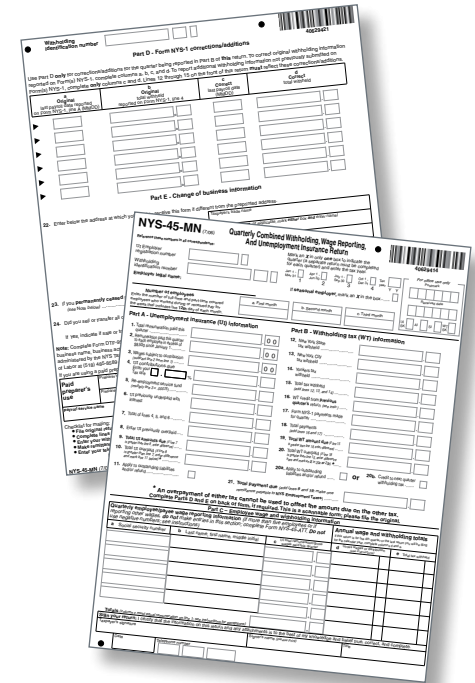
**CDPHP uses the following guidelines to verify a group's eligibility to enroll in a CDPHP plan. These guidelines will be used for new groups and for new divisions on existing groups. They must be verified prior to a group's enrollment. These guidelines help CDPHP ascertain if a business is a legitimate group and has two or more employees actively working a minimum of 20 hours a week.**

One of the following sets of documentation must be received along with each group or division application. A "set" consists of the documents under one heading, to be

determined by the specific business arrangement of the group.

### A. NYS 45

- A NYS 45 is the *New York State Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return* form that displays the employer's employees, their income, and their withholdings for the reported quarter.
- A Certificate of Doing Business Under Assumed Name (DBA) form that was filed with the state may also be required for groups submitting a NYS 45 if the name that the business uses on its NYS 45 submission does not match the name of the customer applying for CDPHP group coverage. A copy of the DBA that was filed with New York state must also be submitted with the group paperwork for these groups.



### B. Schedule F

- This is the *Profit or Loss Farming* tax form that would be submitted by a farm attached to its *Form 1040*, *Form 1041*, or *Form 1065* or *1065-B*.
- If the *Schedule F* is submitted along with the *1040* or *1041*, it must be accompanied by a *NYS 45*.
- If the *Schedule F* is submitted along with a *1065* or *1065-B*, the *NYS 45* is not required.

### C. Schedule C

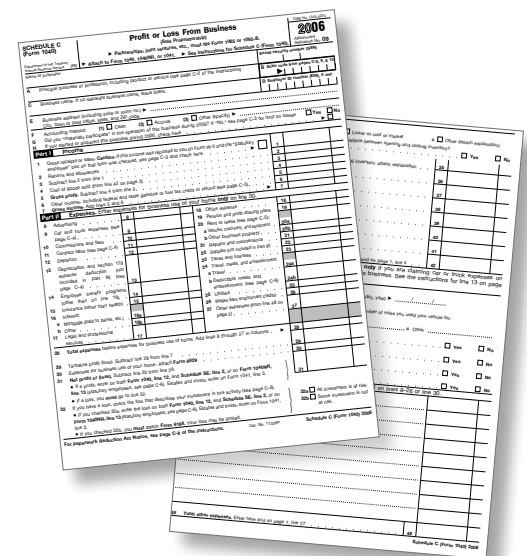
- The *Schedule C* is used for sole proprietors. It can be accepted if it is accompanied by a *NYS 45* or professionally prepared payroll information.
- If a company does not use a payroll company for handling their payroll, the employer's payroll records will be accepted as long as they accompany a copy of cancelled checks issued to their employees that match the payroll records submitted.

- New York State requires that a company must file an *Assumed Name Certificate (DBA)* form if they are operating under a name other than the proprietors or owners of the business. A copy of the DBA that was filed with New York state must be submitted with the group paperwork.

### D. Form 1065

These forms are used for partnerships. CDPHP requires both forms.

- *Form 1065, U.S. Return of Partnership Income Form*, is for the business partnership information.
- *Form 1065-K-1 (Schedule K) Partner's Share of Income, Credits, Deductions, etc.* is for each individual partner.



- An *Assumed Name Certificate (DBA)* form must also be submitted if the group name does not match the name of the partners of the business (as noted above in sections A and C).

#### **E. New Businesses or Newly Eligible Business**

For a recently established business, or a previously established business that is now eligible as a group, because it hired additional staff.

- These groups must provide either a *1065, Certificate of Incorporation, Articles of Organization*, or a *Certificate of Limited Partnership*, along with their *NYS 45*, as proof that they are a legitimate business.
- If a group cannot provide a *NYS 45*, because it has not yet filed one, it must submit professionally prepared payroll information. If a company does not use a payroll company for handling their payroll, the employer's payroll records will be accepted as long as they accompany a copy of cancelled checks to their employees that match the payroll records submitted.

#### **F. Certificate of Incorporation**

- This form must be filed with the New York State Department of State for all business corporations within New York.
- A *NYS 45* must also be submitted to verify that there are at least two eligible owners/employees for the company.

#### **G. Articles of Organization**

- This form must be filed with the New York State Department of State for all Limited Liability Companies (LLCs).
- A *NYS 45* must also be submitted to verify that there are at least two eligible owners/employees for the company.

#### **H. Certificate of Limited Partnership**

- Must be filed with the New York State Department of State for all Limited Partnerships.
- An *Assumed Name Certificate (DBA)* form may also be required with this certificate if the company is not doing business under the names of all the partners of the company. Per New York state law, a company must file a *DBA* with the state if it is operating under a name other than the proprietors or owners of the business. If the name that the *Certificate of Limited Partnership* is filed under does not match the name of the customer applying, a copy of the *DBA* that was filed with New York state must be submitted with the group paperwork.

#### **I. Employee Leasing Companies**

If a business is switching from leasing its employees to employing them, it needs to submit a copy of the invoice from the leasing company or a copy of an agreement to "purchase" the employees.

*This document is only a brief summary and in no way should be considered legal advice. Employers should consult with their legal counsel for further explanation of necessary documents.*