

Health Connector for Business Policy: Employer Contribution and Participation Requirements

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Approved by: Andrew Egan	Date reviewed: 9/1/2019

This policy applies to small group health and dental products.

Employer Contribution:

For an employer group to be considered as eligible for the Qualified Health Plan (QHP) “One Plan” product (please reference *HCB-15: Rating and Re-Rating of Health and Dental Plans*), the employer must contribute a minimum of:

1. Fifty (50) percent towards the cost of the premium for the employee-only rate basis type; and
2. Thirty-three (33) percent towards the cost of a premium for any non-employee-only rate basis type (if covered).

For an employer group to be considered as eligible for the QHP “One Carrier” or “One Level” products (please reference *HCB-15: Rating and Re-Rating of Health and Dental Plans*), the employer must contribute a minimum of:

1. Fifty (50) percent towards the cost of the premium for an employee;
2. Thirty-three (33) percent towards the cost of a premium for any spouse (if covered);
3. Thirty-three (33) percent towards the cost of a premium for any domestic partner (if covered); and
4. Thirty-three (33) percent towards the cost of a premium for any child (if covered).

There is no required employer minimum contribution for Qualified Dental Plans (QDP), however, QDP eligibility is driven QHP participation (please reference *HCB-15: Rating and Re-Rating of Health and Dental Plans*).

Participation:

For an employer group to be considered as eligible for any QHP product, the employer must meet the following minimum participation requirements:

1. At least one (1) part-time or full-time employee must enroll on the effective date of coverage; and
2. The participation rate calculated at time of enrollment must be no less than seventy-five (75) percent.

For purposes of calculation of the participation rate, the Health Connector for Business will utilize the following formula: Participation Rate = (Enrolling Participants + Valid Waivers) / (Eligible Participants)

The term “Enrolling Participants” is defined as the number of eligible employees enrolled in a QHP through the small group plus the number of COBRA/Mini-COBRA qualified beneficiaries² enrolled in a QHP through the small group plus the number of eligible employees with a Valid Waiver.

The term “Valid Waiver” is defined as an eligible employee who does not enroll in a QHP through the employer group and who meets one of the following permitted valid conditions for waiving enrollment:

1. Coverage through a spouse’s employer health plan (insured or self-funded);
2. Coverage through a parent’s employer health plan (insured or self-funded);
3. Coverage through any other employer health plan (insured or self-funded), including union coverage, student health insurance, refugee medical assistance, or other government-sponsored insurance;
4. Coverage through an individual market health plan, including an individual Health Connector plan;
5. Coverage through Medicare;
6. Coverage through Tricare (Military) or Veterans' Affairs coverage;
7. Coverage through Medicaid (MassHealth/CHIP or similar program of another state).

The term “Eligible Participants” is defined as the number of eligible employees plus the number of COBRA/Mini-COBRA qualified beneficiaries² who are included on the employer group’s census at the time of enrollment. Any eligible employee who enrolls, cancels, or waives, and any COBRA/Mini-COBRA qualified beneficiary who enrolls, prior to the eligible employer group’s coverage effective date will be counted towards the participation rate.

For QHP products, an eligible employer group must have at least one non-owner who enrolls in coverage to meet the participation requirements. There is no required minimum participation rate for QDPs. However, QDP eligibility is driven QHP participation (please reference *HCB-15: Rating and Re-Rating of Health and Dental Plans*).

Notes and Exclusions

During the annual small group open enrollment period (November 15- December 15), a small group that would be eligible to participate but for the inability to satisfy the minimum contribution and minimum participation requirements, will be considered as eligible without having to satisfy these requirements.

Please note that for eligible employer groups participating in the Health Connector for Business’s QDP products, there is no minimum employer contribution or participation requirement QDPs, however, QDP eligibility is driven QHP participation (please reference *HCB-15: Rating and Re-Rating of Health and Dental Plans*).

Nondiscrimination

The laws of the Commonwealth of Massachusetts provide that a carrier may not provide health insurance coverage to an employer group unless that employer makes a percentage contribution to the cost of the coverage for each employee that is equal to or greater than the percentage contribution to the cost of coverage for any employee with a higher salary. See Mass. Gen. Laws ch.

175, § 110(Q) (applicable to insurance companies); ch. 176B, § 3B (applicable to medical services corporations); ch. 176G, § 6A (applicable to health maintenance organizations.) These laws collectively are referred to in this policy as the Commonwealth's Nondiscrimination Law.

Employers participating in any of the Small Group products offered by the Health Connector for Business are responsible for being in compliance with the Nondiscrimination Law.

The Health Connector will not monitor or audit the employer's compliance with the Nondiscrimination Law. The Health Connector will deem an employer's payment of premium as the employer's certification that it is in compliance with the Nondiscrimination Law.