



**PARTICIPATION, UNDERWRITING, AND CREDENTIALING GUIDE  
FOR THE SMALL GROUP MARKET, 2-50**

*Small Group policies are for businesses with at least two (2) but not more than 50 eligible employees. The group must operate out of a bonafide New York address in Empire’s operating area. A small group must meet minimum participation requirements and provide documentation to verify group legitimacy, active employees, and exclusions as described below.*

**UNDERWRITING GUIDELINES**

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**Eligible for Group Enrollment:**

Active full-time employees on the firm’s payroll; working at least 20 hours per week.

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Owner(s), partners, officers of a business, Elected Public officials, or **paid** members of the Board of Directors meeting employee qualification.

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COBRA Employee

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Retirees - providing the firm contributes at least 50% of premiums and there is a continuing financial arrangement, such as a pension.

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**Not Eligible for Group Coverage**

All Part Time\*\*, Temporary, Seasonal Employees, Consultants and Independent Contractors.

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**CREDENTIALING DOCUMENTATION\* NEEDED**

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The most current NYS-45 **signed by the taxpayer**. (If not available, and group uses an outside payroll system, obtain a complete copy of the latest payroll listing including the page showing the total number of employees and a copy of the SS-4.) **The reason the NYS form is not available must be noted.**

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Schedule C, K1 (we must see all K1s totaling 100% ownership), Form 1120, Form 851, Form 1065, Form 990. The document must connect the owner to the business.

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Copy of the COBRA election form, or letter verifying the employee elected COBRA, including reasons and date of qualifying event. Proof of prior employment with the group.

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A letter stating the company contributes 50% of premium for the retirees, along with the retiree(s) name(s) and Social Security Number(s), and the last NYS-45 they appeared on (if available).

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The NYS-45 should be noted next to each employee’s name.

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**Possible Exclusions**

A group may elect to exclude the following segments as a class. The class is excluded from eligibility and participation calculation.

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Union Affiliated Employees (as an entire class).

A note should be made on the NYS-45 or equivalent document next to each employee's name and a copy of the Union Roster reflecting all union members must be submitted.

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Employees working outside our operating area may be excluded as a class. Please note that the total number of employees in all locations are counted to determine the group's market segment.

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The status and employment location of the member should be noted next to his/her name.

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**The following are eligible for coverage, but will be credited as participating.**

Eligible Employees Covered Under a Spouse's Coverage (either BCBS or another carrier).

A note should be made next to the employee's name on the NYS-45 or copy of the payroll listing and submit a copy of the spousal ID card.

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\*Any document with handwritten insertions must have the signature of the person who noted the data.

\*\*Based on NYSID Regulation 145, "part-time" is defined as those working less than 20 hours per week. If the group defines "part-time" as more than 20 hours per week [ex. 30 hours], the group's definition applies.

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**MINIMUM PARTICIPATION REQUIREMENTS:**

- 2 eligible active full-time employees are needed to establish any group coverage (including HMO).
- For indemnity coverage (including PPO & EPO) – the minimum participation is 60% Downstate/50% Upstate and Mid-Hudson, but no less than 2.
- For HMO coverage – there is no minimum participation – a group with 2 eligible active full-time employees may enroll 1 HMO contract to establish a group. (To comply with NYSID Regulation 145 requirements, groups obtaining HMO coverage only must still be fully credentialed regardless of the number enrolling in their group).
- When the employer pays 100% of the cost of premium, 100% participation is required, after eligible exclusions are deducted. (This applies to the total eligible group population including all Empire and competitive offerings).

## **SPECIAL NOTES FOR CALCULATING MINIMUM PARTICIPATION:**

For groups obtaining more than one Empire product, the total number of eligible active full-time employees across all lines of full package business (excluding HMO – see below) is used when determining if the account meets minimum participation requirements.

Employees enrolled in Empire's or another carrier's HMO, must be included as eligible when determining if the group meets Empire's minimum participation requirements for any indemnity product, including PPO and EPO. Empire's HMO will be considered participating only if coverage purchased is a full replacement. (Full replacement means that Empire is the only carrier being offered.)

Once the non-employee population and other exclusions are deducted, the minimum participation may be calculated for the group. (Do not include COBRA members, retirees, or spouses of retirees when determining if the group meets minimum participation.)

## **OTHER DOCUMENTATION REQUIREMENTS:**

**For new businesses:** If a NYS-45 is not yet available, the group may submit a copy of their SS-4 (application for Employer Identification Number), Certificate of Incorporation, and a copy of their payroll listing. We will follow-up at the end of the quarter for a NYS-45.

**For new employees not yet on a NYS-45:** A canceled payroll check with the company name, employee name and Social Security Number. If the deposited check is not yet available because of very recent employment, then a copy of the check as written, or pay stub, may be considered together with a copy of the W-4 (NYS Withholding Form). We will follow-up at the end of the quarter for a NYS-45 including the new employee.

**Segmenting a group** – Before we can enroll just a segment of a group we must establish the total number of eligible employees. If it is greater than 50, the group is not eligible for Community rating, even though only a segment is enrolling. A segment must be clearly defined, based on employment and be non-discriminatory. Each segment must meet minimum size and participation rules. Employees occupation/status must be noted on the NYS-45. An explanatory letter from the employer is required.

**Common Ownership** – If one group is being established with employees from 1 or more affiliated groups, evidence of common ownership must be submitted. It will also be necessary to consider the total eligible of all companies/businesses combined and the total participation in Empire coverage, as long as at least one member of an affiliated group is enrolled.

**NYSHIP** – All of the normal credentialing criteria is required. However, it is possible to have a group of one for a self-employed/sole proprietorship business.

**Groups Using a DBA** – A copy of the New York State Certificate of Assumed Name is needed to support both the actual company name and the DBA name. The group will be enrolled under their legal name if a certificate is not available.

## **OTHER IMPORTANT INFORMATION**

**The Sales Package** (documents needed to process the group) consists of the following:

- Signed Group Application, complete with product selection, new hire policy, broker declaration, etc.
- First premium (new group only, monthly or quarterly)
- Members applications, complete with SSNs, PCPs where applicable, DOBs, etc.
- Credentialing documentation including a signed NYS-45 and any other paperwork necessary to confirm eligibility (K-1, Schedule C, etc.) or to prove exclusion (spousal IDs, union roster, etc.)
- Portability verification, if applicable.

Any incomplete portions of a sales package will delay its processing and could result in delaying an effective date.

A combination of any two products may be sold, except that PPO and EPO cannot be sold together.

**Effective Dates** for new business are on the 1<sup>st</sup> and the 15<sup>th</sup> of the month with at least 10 business days lead time.

**Pre-existing conditions** have an 11-month waiting period.

**Portability** may be established by submitting proof from the prior carrier containing the covered persons' name, contract type, level of benefits, and period covered. We recommend submitting evidence of prior coverage at the time of enrollment to eliminate the possibility of claims being rejected because of a pre-existing condition. Please advise your client(s) of this information and note that if proof is not received, it is our policy to send a letter to the group/member requesting it.

Riders must remain in effect for a minimum of 12 months. When a group discontinues a rider, it cannot be repurchased for at least 12 months following the date of discontinuance. Changes in group eligibility, rate structure or benefits may be made only on the group's renewal date.

Brokers should send new group applications for the small group market (2 to 50) to:

**Empire BlueCross BlueShield**  
**355 Park Avenue South, 12<sup>th</sup> Floor**  
**New York, NY 10010**  
**ATTN: Broker Relations**

Please sure to visit our web site at [www.empirehealthcare.com](http://www.empirehealthcare.com) IT'S GREAT! You can learn more about Empire's products and services, gain access to our local and the nationwide provider networks. Register on the Broker Services page to run quotes, create proposals, obtain marketing materials and member applications, and even enroll a group.

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