COVERED CALIFORNIA SMALL BUSINESS	*Covered California for Small Business (CCSB) Eligibility & Enrollment Agent Guide*
Topic	**Guideline**
	Employer Eligibility
Carve-Outs	Carve-Outs are not allowed. Union employees are not eligible unless their union benefits are not subject to collective bargaining through the union.
Change in Ownership Prior to Renewal of In Force Group	If an Employer Group is sold prior to the end of the plan year, the new owner may make changes to the business name, FEIN, address, etc. Any material changes (change in plans, coverage level, etc.) cannot be made until the group renews unless the new owner terminates the current plan and submits documents to reapply as a new group.
Employee plan changes within the first 30 days	Within the first 30 days of the effective date, the employee can only make changes within the same Health Plan Carrier. Changing Health Plan Carriers is only permitted prior to the effective date.
COBRA Administration	For groups with 2-19 employees, CCSB invoices Cal-COBRA beneficiaries directly. Employers with 20 or more employees are responsible for administering Federal COBRA.
Composite Rating	Composite rates are not available for CCSB plans.
Reference Plan	A group must select a reference plan within its requested metal tiers. The reference plan is the plan chosen to determine the amount the employer will contribute towards employee premiums.
Contribution Requirements	To participate in CCSB, employers must contribute a minimum of 50 percent of the lowest-cost employee-only premium. This requirement is not enforced during the Annual Special Enrollment from November 15th – December 15th each year for a January 1st effective date.
Domestic Staff Coverage	Employers wishing to cover their domestic staff must provide a DE-9C (or 1 month of payroll if the business is less than 3 months old) and must meet all applicable eligibility guidelines.
Effective Dates	Effective dates for group coverage is the 1st of each month. For coverage to start the 1st of the following month group applications needs to be completed and submitted at least five calendar days prior to the end of the month. Covered California for Small Business (CCSB) will accept new-business submissions the no later than the 7th calendar day of the requested effective month, provided a New Business Late-Submission Acknowledgement Form is signed and submitted with the enrollment application. If the group does not agree to the submission acknowledgment, the effective date will be the first of the month following the requested effective date.
Eligible Employees	Eligible employees include: • Full-time permanent employees (average of 30 hours a week measured over the course of a month). • Part-time employees (part-time employees who work 20-29 hours per week • and coverage offered to part-time employees at owner's discretion).

Employee Only Coverage	Employers can apply for employee-only coverage. Dependent coverage is optional. However, under the Affordable Care Act's employer shared responsibility provisions, certain employers (called applicable large employers or ALEs) must either offer minimum essential coverage that is "affordable" and that provides "minimum value" to their full-time employees (and their child dependents below the age of 26- spouse coverage is not mandated), or potentially make an employer shared responsibility payment to the IRS. The employer shared. Please visit the IRS website for details. **https://www.irs.gov/affordable-care- act/employers/aca-information-center-for-applicable-large-employers- ales#Determine%20if%20you%20are%20ALE**
Employee Premium Rates and Location	Generally, Employee premium rates are based on the employer's California principal business address zip code.
Employee Premium Rates – Age	Employee premium rates are based on the age of the employee/dependents at the time of enrollment.
Employer address changes and OE or SEP	1. An address change that results in a rating region change takes effect at the next renewal, not at the date of the address change. 2. A change in the physical address for an employer may or may not trigger a new enrollment period for employees as follows: • Employers may choose not to start a new plan year based upon the move and will continue their policy with CCSB (no OE). Available plans must still be based on their old address. Employees who move with the employer so that they no longer live or work in the service area of their previously chosen plan may select a plan that is available to them at their new location, due to a qualifying life event triggering an SEP.). • Employer(s) may choose to reapply for their policy with CCSB based on their new address. A new plan year would begin in this instance and rates would reflect those in place as of the date of the new plan year. Plan availability and updated rates will be reflected during the reapply process. • No new enrollment period (no SEP or OE) would be triggered if the employer does not reapply for a new policy and employees did not relocate. Plan availability and updated rates will be reflected during the group's next renewal.
Group Size	Employers are eligible to purchase coverage for their employees and dependents in CCSB if they have 1 to 100 full-time equivalent (FTE) employees. An eligible employee is one who works an average of 30 hours per week or 120 hours per month based on a month of work. An employer can decide to offer coverage to part-time employees who work between 20 and 29 hours per week. Please visit the IRS website for assistance. https://www.irs.gov/affordable-care-act/employers/small-business-health-care-tax-credit-and-the-shop-marketplace
Groups That Grow Over 100	A small business that is enrolled in CCSB and grows to exceed 100 full-time equivalent employees will be allowed to renew their coverage if the employer continues to meet CCSB eligibility requirements, including contribution and participation requirements.
Minimum Group Size	The minimum group size is 1 FTE. Employers and spouses do not count as FTEs for the purposes of determining group size. The only way an employer and spouse-only group could be eligible is if the required "common law employee" works as an FTE or a minimum of 30 hours per week on average. Otherwise, they would have less than 1 FTE.

New Business Materials Submission Deadline	The submission deadline is 5 business days prior to the requested effective date. Completed submissions received after the deadline will carry an effective date no earlier than the first of the following month unless the employer submits a signed CCSB New Business Late Submission Acknowledgement Form.
New Businesses	New businesses that are applying for CCSB must adhere to the requirements specific to their business type per Step 1 of the Employer Application. These requirements also provide the necessary documentation to verify eligibility based on the business type.
Owner/Partnership Eligibility	Owners/Officers are eligible and do not need to be on payroll to qualify for CCSB. However, employers must provide appropriate documentation for owners/officers to verify eligibility and must have at least (1) common law employee other than the Owner/Officer. *This requirement also applies to nonprofit organizations.* Please refer to Step 1 of the Employer Application for instructions.
Participation Requirements	A minimum of 70 percent of eligible employees must participate with CCSB. If the employer pays 100 percent of the employees' health premiums, then all eligible employees not waiving coverage must enroll through CCSB. Valid waivers are not required to enroll and are not counted when calculating participation. Employers not meeting participation requirements may still sign up during the Annual Special Enrollment Period (Nov. 15th - Dec. 15th).
Percentage of COBRA Participants Allowed	There is no maximum percentage of COBRA or Cal-COBRA participants an enrolling employer group may have.
Placing Business with CCSB and Another Health Plan Carrier	Placing Business with CCSB and another Health Plan Carrier is allowed if at least 70% of eligible employees who do not have a valid waiver are enrolled with CCSB, except if the enrollment occurs during the Annual Special Enrollment (Nov 15 - Dec 15). The Annual Special Enrollment Period allows employers to enroll without meeting the CCSB participation and/or contribution requirements.
Plans for Out of State Dependents	Dependents who reside out of state are eligible for services only in their plan's service area within California or for emergency coverage outside of California. Certain PPO plans include out-of-state providers in their networks outside of California.
Rate Guarantee	Rates for CCSB plans are guaranteed for 12 months from the effective date.
Reapplying for Coverage After Notice of Coverage Cancellation	Employers may reapply after either voluntary termination or involuntary termination due to non-payment of premium. Employers seeking to reapply for coverage shall be considered a new group.
Guaranteed Issue	Employers and their employees who are eligible for CCSB are guaranteed coverage
Health Reimbursement Arrangements or Other Employer Funded Arrangements	HRAs and other employer funding arrangements for employee cost share are subject to Health Plan Carrier requirements as stated in their specific Group Service Agreements (GSAs) for CCSB policies.
Spouse Only Groups	Spouse-only groups are not eligible for coverage. An employer must have one common-law employee (who cannot be a spouse) that works at least 30 hours a week.
Reinstatements for Coverage After Notice of Coverage Cancellation	Terminated groups due to non-payment may request to be reinstated in the same coverage in which last enrolled within 30 days after the effective date of termination and all past-due payments must be made prior to reinstatement. The group may only reinstate once in a 12-month period beginning from the time of their original effective date or from their most recent renewal date, whichever is more recent.

Annual Special Enrollment Period	The Annual Special Enrollment Period for employers is Nov. 15th through Dec. 15th for a January 1st effective date. Groups not meeting participation or contribution requirements are allowed to enroll in CCSB during this special enrollment period every year. Groups must meet all other requirements.
Two-Life Groups with One Eligible Waiver	Two-life groups with one valid waiver are eligible for CCSB coverage. An employer must have one common law employee (which cannot be a spouse) that works at least 30 hours a week.
Waiting Periods	Waiting periods are determined and monitored by the employer and must comply with applicable federal and state laws, including the California Insurance Code and the California Health and Safety Code. CCSB does not monitor waiting periods.
Waiving Waiting Periods	At the employer's discretion, waiting periods can be waived *only at initial* enrollment for new hires.
Discontinued Reference Plan	If an employer's reference plan is no longer available at renewal, the employer must select a new reference plan during the employer's annual election period. If the employer does not select a new reference plan prior to renewal quote creation, a default alternative reference plan will be auto-selected for the group. However, the contribution rate applied to the new reference plan will remain as the previous employer contribution rate selected.

Employee Eligibility	
Infertility	Less than 20 Eligible Employees (EE): Employers with less than 20 EE's have the option to include Infertility benefits only on non-HMO plans. If the Employer chooses to offer Infertility benefits, the following applies: • Employees who select an HMO product cannot select a plan with Infertility benefits. An EPO or PPO product must be selected. If the Employer chooses benefits not to offer Infertility benefits, the following applies: • Employees electing an HMO, PPO, or EPO product cannot select a plan with Infertility benefits. • More than 20 EEs: Employers with more than 20 EE's have the option to include Infertility benefits on all plans or not to offer Infertility benefits. If your employer has chosen to offer Infertility benefits, then All products shall include Infertility benefits. • If your employer has chosen not to offer Infertility benefits, then All products shall not include Infertility benefits applies.
Dependent Children Age Max	Dependent children are eligible for medical coverage up to age 26. Notice of termination for child dependents who turn 26 is provided 90 days prior to the last day of coverage. Termination is effective the 1st day of the month following their 26th birthday.
Maximum Premiums for Dependents	When invoicing monthly premiums or creating group quotes, 3 is the maximum number of dependents under the age of 21 that will be charged a premium in a single or two-parent family. Example: employee John Smith enrolls himself and his 6 dependent children, 4 of the children are under the age of 21 and 2 are over the age of 21. Applying the maximum premium for dependents rule to his premiums, John would only be invoiced for himself, 3 of his children under the age of 21 and both of his children over the age of 21, the 4th dependent under the age of 21 would not be invoiced.

Eligible Dependent(s)	Employers that wish to offer dependent coverage may do so for the following qualified dependent(s): • Spouse • Registered Domestic Partner • Non-registered Domestic Partner • Children (including adopted children, foster children, or those under legal guardianship) • Disabled Adult Children.
Families that Work for the Same Company	Family members that work for the same employer may enroll as a subscriber with dependents or separately, at their discretion. All eligibility requirements still apply.
Ineligible Employees	Employees who are not eligible for coverage in CCSB include: • 1099 employees • seasonal employees • temporary employees • Union employees (subject to collective bargaining) • Part-time with less than 20 hours per week
Maximum Enrollee Age	There is no maximum enrollee age for a subscriber; however, there is a maximum enrollee age for a dependent child, which is 25.
Medical Group/Independent Physician Association (IPA)Selection by Dependents	Each Health Plan Carrier determines if dependents can choose a different medical group/IPA than that chosen by the subscriber.
Newborn Policy	For the first 30 days of the newborn's life, he or she will be covered as an extension of the mother under her policy and deductible. Starting on day 31st day of the newborn's life, the baby will need to have his or her policy. Upon enrollment, the coverage effective date is the date of birth or the first day of the following month, at the parents' election.
Plan Selection Options for Employees and Dependents	Employees and their dependents must be enrolled in the same plan.
Premium Rates - Initial Group Enrollment and Renewal	Employees and their dependents will be rated at the age they are at the time of their initial group enrollment. Rates will not change until the annual group renewal. At renewal, rates will reflect enrollee ages as of the renewal date.
Retiree Coverage	Retiree coverage is not offered.
Employee's Discontinued plans	At renewal, if an employee's plan is discontinued, the employee will be passively renewed to the lowest cost plan offered by the same Health Plan Carrier and within the same metal tier. If the same Health Plan Carrier is not available with CCSB, the employee may be passively renewed to enroll in the lowest-cost plan with a different Health Plan Carrier within the same metal tiers.
Special Enrollment Periods	After initial enrollment, plan changes are submitted through the 15th day of the first coverage month will be effective retroactively to the 1st of the current month unless otherwise requested. CCSB will process plan changes submitted after the 15th day of the first coverage month for the 1st of the following month. Plan changes made during the first 30 days of coverage must be with the same Health Plan Carrier. For more information: Go to the Qualifying Life Events – Special Open Enrollment Window in the Covered California for Small Business Employer Guide at https://www.coveredca.com/pdfs/CCSB-Employeruide_2022.pdf

Billing	
Payment	Initial and ongoing payment must be the total amount due to CCSB. For new enrollment, membership is not effectuated until the initial payment is received and applied to the group's account.
Payment Grace Period	Health care premiums are due prior to the month of coverage and must be postmarked by the last day of the invoicing month. If the invoice total amount due is not received by the end of the grace period, the employer will be notified that coverage will terminate at the end of the grace period. The participating employer is responsible for notifying employees if coverage lapses. A period of 30 days will be allowed for payment of any premium due after the initial premium. If less than the total amount due is paid within that period, coverage will terminate at the end of the grace period. The employer will be notified of the grace period and effective date of termination.
Payment Options for Monthly Invoices	Payments can be made via online payments, checks, cashier's checks, or money order and made payable to **Covered CA CCSB or Covered CA Small Business.** Please send payment to Payment Mailing Address: Covered California for Small Business PO Box 740167 Los Angeles, CA 90074-0167 Overnight Payment Mailing Address: Bank of America Lockbox Services Lockbox LAC-740167 2706 Media Center Drive Los Angeles, CA 90065

Non-Sufficient Fee (NSF)	Premium payment that is returned unpaid for any reason, CCSB shall apply a $25.00 insufficient funds fee. If a second premium payment is returned unpaid for any reason within six months of the prior returned payment, the employer shall submit payment and the insufficient funds fee for the returned payment in the form of a cashier's check or money order. This requirement to make monthly premium payments in the form of a cashier's check or money order shall continue for a period of 12 months beginning with the first month following the last paid-through date.
Rate Verification	For new group enrollment, the final rates will be reflected on the first payment. invoice.

Out of State plans and guidelines	
Percentage of Out of State Employees Allowed	Small employers eligible for coverage in CCSB must have the majority of their employees employed within California (employed at a California worksite).
Multi-State Groups	Employers may participate in multiple SHOPs if the employer offers coverage to employees whose primary work site is in the SHOP service area. Employers must submit a completed application and all required documentation required of CA-domiciled employers. Plan availability and rates will be tied to the CA worksite address where most that employer's employees work.
Out of State plans	Blue Shield PPO (all metal tiers) is available for out-of-state employees.
Out of State Rates and Locations	Out-of-state employee rates and plan availability are based on the employer's. California principal business address location.

Valid Waiver	
Valid Waiver	Employees hold valid waivers if they have: • Coverage through an employer-sponsored plan • Coverage by Tricare • Coverage by Medicare • Coverage by Medi-Cal • Coverage by Medicaid • Coverage that meets the definition of" minimum essential coverage." • Coverage by any other federal or state health coverage program excluding health plan coverages that are sold in the Individual Exchange • Employees who waive coverage in CCSB are not eligible for APTC. • Waiving employees who enroll in individual coverage through the Covered California Individual Marketplace are not considered valid waivers. Valid waivers are not counted toward group participation calculations.
Dental Coverage	
Children's Dental Age Maximum	Dependent children are eligible for Children's Dental coverage up to age 19. Coverage is terminated on the 1st of the month following their 19th birthday. If a dependent child ages out of Children's Dental and loses dental coverage, it will be considered as a qualifying event for the dependent child only. The dependent child may choose to enroll in a family dental plan.

Children's Dental Coverage for Child Dependents	Child dependents (up to the age of 19) can enroll in Children's Dental coverage at the employee's discretion. (Please note that some medical plans have Children's Dental embedded)
Qualifying Event	Losing other dental coverage is a qualifying event to add dental during a plan year for both the employee and dependent.
When Dental can be added	Eligible employees and dependents may add a dental plan during the plan year if they experience a qualifying life event or during their annual open enrollment period.
Dental Reference Plan & Dental Contribution	If an employer elects to choose dental for their employees and dependents, then they must select a dental reference plan. The reference plan is the plan employers choose to determine the amount the employer will contribute towards their employee premiums. An employer has the option to elect to contribute towards their employees' dental premiums, however, it is not a requirement for coverage.