



## UNDERWRITING REGULATIONS

Please read this summary of underwriting regulations carefully. It is very important that you understand the requirements and that if they are not followed, your group's participation in the MEWA can be cancelled by the MEWA after 31 days' notice. These underwriting regulations are generally updated on an annual basis. Your renewal notice will contain the most up-to-date underwriting regulations, so be sure to review those carefully for changes that may have occurred.

These requirements apply to new and renewing Participating Employers with 1-50 total employees. This summary is not intended to determine pay-or-play eligibility.

### **Funding Rate Contributions**

The Group's minimum contribution must be the lesser of:

- 1) Approximately 50 percent of the average single Funding Rate or
- 2) 50 percent of the Funding Rate for each Participant, including retiree, but excluding any Participant continuing coverage under the plan, as allowed by state or federal law (example: State continuation or COBRA).

### **Residency Requirements**

A minimum of 50 percent of the Participants must reside in Ohio.

### **Minimum Enrollment Requirements**

Groups must meet the following enrollment requirements for all health products:

- An eligible group is defined as a business (or other legal entity) that is actively engaged in a FULL-TIME enterprise that has the legal capacity to sponsor a group health plan on behalf of one or more employees whereby an employer and employee relationship exists.
- If enrolling/enrolled through the MEWA, at least 75 percent of the net eligible employees (after removing any eligible employees described in the following bullet) must be covered under this plan.
- In determining a group's minimum enrollment, the MEWA will exclude any employee who waives coverage because he or she is:
  - In a spouse's employer-sponsored health plan;
  - An active eligible or retiree in another health plan sponsored by a second employer;
  - Covered under a parent's plan;
  - Covered by Medicare and/or a Medicare supplement plan;
  - In a government-sponsored plan, such as TRICARE, Medicaid or Veteran's Administration (VA) coverage; or
  - Enrolled in an individual plan that was purchased through an Exchange and was approved for federal subsidy.

- Total active eligible employees are all employees working the minimum number of hours (An employer may choose between 20-30 hours per week as full-time. The 30 hour maximum is a state law in Ohio for group's size 1-50). Employees working less than the minimum hours per week are not eligible. If you have employees who work the minimum number of hours or more per week but were considered ineligible in the past, please contact the Claims Administrator.
- Consultants, independent contractors, owners, shareholders, attorneys and accountants, etc. are not eligible for coverage under the MEWA unless they are actual employees of the group who draw a regular paycheck (compensation is usually reported to IRS on W-2 forms). In addition, such actual employees must work the minimum number of hours per week specified above.
- Person's whose compensation is reported on Form 1099, rather than Form W-2, may be covered if ALL the following criteria are met:
  - The employee works at least the minimum number of hours to be considered full-time (An employer may choose between 20-30 hours per week as full-time. The 30 hour maximum is a state law in Ohio for group's size 1-50);
  - Your contribution toward the employee's Funding Rate is equal to that for all other eligible Participants;
  - You make coverage available to all current and future employees meeting the same criteria;
  - A minimum of 50 percent of your enrolled employees are taxed employees.

### **Domestic Partners**

Same and opposite sex domestic partners may be eligible to enroll if the Participant and domestic partner meet ALL of the following criteria:

- Cohabit and reside together in the same residence and have done so for at least six months and intend to do so indefinitely;
- Are engaged in an exclusive and committed relationship and are financially interdependent;
- Are both at least 18 years of age and are each other's sole domestic partner;
- Are not married or separated from anyone else;
- Have not had another domestic partner within six months of establishing the current domestic partnership;
- Are not related by blood; and
- Are not in this relationship solely for the purpose of obtaining coverage under the MEWA.

### **Retirees**

If you provide retiree coverage, retired employees under 65 years of age who meet all the following criteria may be considered eligible:

- Length of service with you plus his or her age must be 60 or more years;
- Continuous service of the minimum number of hours or more per week for five or more consecutive years prior to retirement;
- Continuous enrollment in the Employer's Group health insurance program for five or more consecutive years prior to retirement.

### **Probationary Periods**

- You must clearly state your probationary (waiting) period for new hires on the Group Application and Participation Agreement. You may not assign effective dates on a case-by-case basis or waive the probationary period for any specific Participant. If you want to change your probationary period, the effective date for that change must be a future effective date. The new probationary period will not apply to anyone hired prior to that effective date, but will apply to all new hires hired on or after that date. Your probationary period may only be changed once per calendar year.
- Your probationary period may not be longer than 90 calendar days.

**Continuation of Coverage**

If you employ 20 or more employees, you are likely subject to the provisions of the Consolidated Omnibus Budget Reconciliation Act (COBRA) continuation law. The Claims Administrator has contracted with a COBRA administrator to provide administrative services at no additional cost to you and your employees. Please contact COBRA Options Brought to you By Medical Mutual at: 833-232-4680 with questions.

**Rescission of Coverage**

Under federal healthcare reform legislation, a group's health plan or a health insurance issuer offering group or individual insurance coverage may not rescind coverage of an enrolled individual unless the individual (or a person seeking coverage on behalf of the individual) commits fraud, or unless the individual makes an intentional misrepresentation of material fact, as prohibited by the terms of the plan coverage. A rescission is any retroactive cancellation or discontinuance of coverage; except for a cancellation or discontinuance that is effective retroactively due to a failure to timely pay required premiums or contributions towards the cost of coverage. If coverage is rescinded, at least 30 days written notice must be provided.

**Termination of Coverage**

If you have not paid the full Funding Rate due, the MEWA, in accordance with its policies, may elect to cancel your coverage. Benefits will terminate on the last day of the month in which you became ineligible, or the last day of the month in which you have paid Funding Rates to the MEWA, whichever comes first. When terminating group healthcare coverage, you must provide written notification to the Claims Administrator at least 31 days prior to the requested termination date. Failure to provide written notice will result in termination of coverage due to lack of payment.

**Re-Certification**

Upon request by the MEWA, you must provide to the MEWA a document of assurance signed by your authorized representative, certifying that you have complied with and continue to meet all regulations required by the MEWA. You must also promptly provide any documentation requested by the Claims Administrator or MEWA that ensures your compliance with all MEWA enrollment requirements.

For additional questions concerning your group's coverage, please contact your service representative or insurance agent.