2023 Group Eligibility & Business Rules

1 to 50 Employees
Small Market ACA Community-Rated Plans

1. Eligible employer groups must employ a minimum of 1 employee and a maximum of 50 employees. Employee count is based on the average number of total employees in the preceding calendar year, including full-time, part-time, and seasonal employees. Employer groups with 1 legal employee are eligible as long as the 1 employee is not the owner or the spouse of the owner.

2. Employer groups with 51 or more employees (using the average number of employee count) do not qualify for small group coverage and must be rated as a large group.

3. An employer/employee relationship must be present for all employees. An owner/spouse relationship does not qualify as an employer/employee relationship. If a business consists solely of the owner and his/her spouse, it does not qualify for small group coverage. All other familial relationships are permitted.

4. Union employees may be carved out. No other carve-outs are permitted.

5. Groups that have been terminated for non-payment must pay all outstanding premiums before they may reapply for coverage.

6. Eligible employees are legal employees, as defined by the employer, who have met the employer's probationary period and any other eligibility criteria. IRS 1099 contractors who are not employees, directors and trustees of the company, and Medicare-eligible retirees are not eligible for coverage.

7. All groups must submit a copy of the most recent PA UC-2A, which must contain the names, salaries, and weeks worked for all employees.

8. Employees who have been terminated or work part time must be noted on the UC-2A.

9. New hires who are not on the UC-2A must have a W-4 or paystub submitted with the UC-2A.

10. There may be circumstances in which an employee is not on the UC-2A or when the company is not required to file a UC-2A. Refer to the following table for alternate types of acceptable documentation.

If a UC-2A is not available, submit one from Category A ...	... and one from Category B
Category A	**Category B**
IRS 1040 – Schedule C or F	K-1s or Articles of Incorporation
IRS 1065 – Partnership Income	K-1s or Partnership Agreement
IRS 1120 – Corporate Income	Current Business License
IRS 941 – Not-for-Profit Use Only**	Leases and Other Contracts
IRS 990 – Return of Organization Exempt from Tax**	

**Must submit copy of payroll journal; no Category B information required.

11. Employee or dependent eligibility waiting periods cannot be more than 90 days.

12. Employees will be permitted to enroll during Open Enrollment. Employees who experience a qualifying event will be permitted to enroll outside of Open Enrollment. Enrollment is generally limited to a 30-day period after a qualifying event. The following are examples of qualifying events:
    a. Change in marital status
    b. Birth or adoption of a child
    c. Loss of other affordable coverage
    d. Change in employment status that affects plan eligibility
    e. Change in place of residence (into or out of service area)
    f. Court judgments, decrees, or orders that affect coverage for an employee or their dependents
    g. Change in coverage of a spouse or dependent under another employer's plan
    h. Loss of Medicaid (Note: Enrollment is limited to 60-day period after loss of Medicaid)

13. Minimum participation rules are below:
    a. A minimum of 75 percent of eligible employees must have coverage in a health benefit plan either through a plan offered by an employer group, a spouse's employer group, Pennie™ (Pennsylvania's health insurance marketplace), a government program (Medicare, Medicaid, military), a union, or other comparable coverage.
    AND
    b. A minimum of 50 percent of all eligible employees must be enrolled in the employer group plan offered by UPMC Health Plan.
    c. Employer groups with less than 20 employees may include active employees of Medicare enrollment age who are enrolled in Medicare Part B in the overall participation count. Confirmation of Medicare Part B enrollment will be required for these individuals to be considered and counted toward participation.

14. Groups with 1 to 20 eligible employees may elect up to five plan options. Groups with 21 to 50 eligible employees may elect any number of plans.

15. Groups with 1 to 20 eligible employees may elect one extended network plan. Groups with 21 to 50 eligible employees may elect two extended network plans.

16. Consolidated Omnibus Budget Reconciliation Act (COBRA) and Mini-COBRA will be offered to eligible individuals who previously received coverage through employer groups that have active enrollment in UPMC Health Plan and/or those whom UPMC Health Plan is required to offer coverage under state or federal law.

17. All employer groups must submit their first month's premium no later than the effective date of coverage.

18. Submitted applications/censuses must include those waiving coverage as well as COBRA participants, and must include (but not limited to):
    a. Date of birth (including for dependents)
    b. ZIP code (including for dependents)
    c. Dependents
    d. Tobacco usage (not required for applicants younger than 21 years old)

19. All applications must be signed/dated by the employee and spouse (if applicable). Adult dependents are not required to sign the application. The employer signature or the employer's authorized representative signature is also required.

20. Quoted monthly premium is subject to change based on validation of group demographics and compliance with all small market requirements.

21. Groups that meet all small market requirements may enroll during any month of the year.

22. Groups that do not meet the minimum employee participation and minimum employer contribution requirements may only enroll during the Open Enrollment period, which is Nov. 15 to Dec. 15 each year for coverage that is effective on Jan. 1. Minimum employee participation and minimum employer contribution requirements are waived during this special enrollment period.

23. Benefit plan changes are permitted only at renewal.

24. Medicare-eligible retirees who are older than 65 may not enroll in employer-based group coverage. UPMC Health Plan offers Medicare plans through UPMC *for Life*. For more information, prospective members can call 1-877-381-3765 (TTY: 711).

25. Employers that have a common ownership interest in multiple legal entities should review our common ownership Limitation of Liability document. If employer signs the document, the separate entities will be combined as a single employer for purposes of group health plan premium rating and administration. All applicable underwriting guidelines must be met as a

single employer. Rating carve-outs will not be permitted as outlined in Rule 4. If an employer group is unwilling or unable to sign the Limitation of Liability document, UPMC Health Plan will provide an individualized quote for each business entity consistent with our standard premium rating guidelines.