2024 Underwriting Guidelines

51+ Employees

A. Employer Eligibility

Eligible employer groups must employ 51 or more 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. An employer/employee relationship must be present for all employees.

Employer groups that employ fewer than 51 employees, using the average number of employee count, do not qualify for large group coverage and must be rated as a small group. For new employers not in existence throughout the preceding calendar year, employer size will be based on the average number of employees reasonably expected in the current calendar year.

Employer group contributions toward the cost of medical coverage will be no less than 50 percent of the total cost of each rating tier or 50 percent of the individual premium in each of the tiers. Exceptions will be considered on a case-by-case basis.

Union employees may be carved out. Employees residing outside of the UPMC Health Plan service area may be carved out. No other rating carve-outs will be permitted.

If an employer group reapplies for coverage after being terminated for non-payment, the group must pay two months of premiums before UPMC Health Plan will issue a new policy.

Standard employer group premiums assume that the number of employees residing outside of the UPMC Health Plan's service area is limited to 40 percent of a group's total workforce. If, for any reason, an existing group's extended network enrollment becomes greater than 40 percent, the entire group may be re-rated effective as of the date of such enrollment change.

B. Employee Eligibility

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.

The employer group determines waiting periods, and they must be applied consistently to all employees. Employee or dependent eligibility waiting periods cannot be more than 90 days.

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)

Dependent coverage will be permitted to begin on the effective date of the covered employee's coverage. Enrollment of additional dependents, other than those resulting from a qualifying event, will be permitted at the employer group's benefit plan anniversary date or during Open Enrollment.

**Medicare eligible retirees may not enroll within the active group. UPMC Health Plan offers group and individual Medicare Advantage plans for such individuals. Please call 1-877-381-3765 (TTY: 711) for more information.*

C. Enrollment Requirements and Plan Options

Quoted premiums assume that a minimum of 75 percent of eligible employees have coverage in a health benefit plan either through a plan offered by the employer group, a spouse's employer, government programs (Medicare, Medical Assistance, military), a union, Pennie™ (Pennsylvania's health insurance marketplace), or other comparable coverage. Quoted premiums assume that a minimum of 50 percent of all eligible employees are enrolled in the employer group plan offered by UPMC Health Plan. Groups that do not meet these criteria must inform UPMC Health Plan, and they may be re-rated as of the date that any level of enrollment below the minimum threshold is determined to occur. At renewal, UPMC Health Plan reserves the right to not renew a group if less than 50 percent of all eligible employees are enrolled in a plan offered by UPMC Health Plan.

Multiple plan options may be offered to employer groups with 20+ eligible employees. Extended network plans must be equivalent to or of lesser benefit than in-area plans.

Multiple Plan Options	
Number of Eligible Employees	**Guidelines**
2 – 19	Not permitted.

20 - 99	• Plan options are limited to three plans. • Dual option plans must be a true "buy up" situation and cannot be used to carve out management-level employees. • Dual-option rates must have a rate differential of no less than 7 percent and no greater than 35 percent. • UPMC Total Advantage plans are intended to be offered as a standalone product, and cannot be offered alongside UPMC MyCare Advantage, UPMC Inside Advantage, or Premium Network plans. • Plan options with no enrollment will not be renewed.
100+	• Plan options are limited to three plans. • UPMC Total Advantage plans are intended to be offered as a standalone product, and cannot be offered alongside UPMC MyCare Advantage, UPMC Inside Advantage, or Premium Network plans. • Exceptions can be considered for groups with 200+ eligible employees, but must be approved by the Underwriting Department.

Standard quoted premiums assume that UPMC Health Plan will be offered as total replacement coverage. When another carrier(s) group health insurance (medical/pharmacy) is offered alongside a UPMC Health Plan group option, this is known as "optional basis." If an optional basis quote is desired, optional coverage must be indicated on the rate request form to allow for proper pricing of the risk. Optional basis quotes are not permitted for groups of 2 to 50 eligible employees. UPMC Health Plan may re-rate or re-quote groups if, after initial quoting or sale, it is determined or disclosed that UPMC Health Plan is not being offered as total replacement coverage. If UPMC Health Plan is offered on an optional basis, the plan design and employer premium contribution must not discriminate against the UPMC Health Plan option in any manner.

In the event that a UPMC Health Plan group plan is offered on an optional basis, the following guidelines will apply:

Optional Basis Minimum Participation Guidelines
Fully Insured:

Eligible Employees Within UPMC Health Plan's Service Area	Minimum Participation Requirement
500+	20%
51 – 499	35%

ASO:

Eligible Employees Within UPMC Health Plan's Service Area	Minimum Participation Requirement
51+	0%

If minimum participation requirements are not met upon enrollment, a minimum 15 percent load will be applied to rates at the effective date of the quote.

Additional participation requirements may be set at the discretion of the UPMC Health Plan Underwriting Department. Extended network enrollment maximums still apply.

UPMC Health Plan reserves the right not to renew groups that do not meet the minimum participation requirements.

Consolidated Omnibus Budget Reconciliation Act (COBRA) will be offered to eligible individuals who previously received coverage through employer groups that have active enrollment in UPMC Health Plan and/or to those whom UPMC Health Plan is required to offer coverage under state or federal law. Total COBRA enrolled subscribers cannot exceed 15 percent of the total number of enrolled subscribers.

All employer groups must submit their first month's premium no later than the 10th of the month prior to the effective date of the benefit plan.

D. Rate Determination

UPMC Health Plan uses an adjusted community rating methodology that is adjusted for age, gender, family composition, and geographic area. The adjusted community rate is blended with group-specific experience for groups with 51 or more employees. A census including all eligible employees must be provided to obtain a quote. Submitted census data must include employees waiving coverage and COBRA participants, and it must reflect the date of birth, gender, residence zip code, tier status, and plan election for each employee. Groups currently without any coverage must submit a census of all eligible employees. In addition to the census, the industry classification or SIC code must be provided. The industry classification should be based on the overall description of the employer group's business, and not on the individual duties of its employees or locations.

Current carrier(s) claim utilization, if available, must be provided to obtain a quote.

Quoted rates are subject to change pending validation of group demographics, tier status, extended network population, optional basis vs. total replacement status, and for legislative/ mandate requirements.

If the number of enrolled contracts of an existing group changes by +/- 50 percent during the contract period, Underwriting reserves the right to re-underwrite the group and adjust rates accordingly.

Should final enrollment change by +/- 15 percent either in total or by tier during new group implementation or at annual Open Enrollment, UPMC Health Plan reserves the right to re-underwrite the group and adjust its rates accordingly.

PPO and EPO plans with deductibles quoted by UPMC Health Plan assume that the employee is paying 100 percent of the total plan deductible. Any deviation from this assumption will result in a change in the quoted rates.

UPMC *Consumer Advantage* plans assume that the health reimbursement arrangement (HRA) funds will account for no more than 50% of the total plan deductible. The employee must first satisfy their portion of the plan deductible before the HRA funds will be available. HRA administration may be added to PPO or EPO plans with a minimum deductible of $1,000. HRA administration is assumed to be the responsibility of the UPMC Health Plan. Any deviation from these assumptions must be reviewed and approved by the Underwriting Department and will result in a change in the quoted rates. Employers' level of HSA funding will not affect quoted rates.

UPMC *Take a Healthy Step with Incentives* products assume that the health incentive account (HIA) with debit card is funded by UPMC Health Plan and has standard maximum limits of $500 single/$1000 family. HIA may be added to PPO or EPO plans with a minimum deductible of $1,000. HIA quoted in combination with HRA assumes that the employer's HRA allocation is 50 percent of the total plan deductible minus the HIA limit (HRA allocation + HIA limit = 50 percent of total plan deductible). HIA with debit card may not be quoted in combination with HSA. Any deviation from these assumptions must be reviewed and approved by the Underwriting Department and will result in a change in the quoted rates.

Blended rates for in-area and extended network will be provided to employer groups with 100 or more enrolled employees who offer UPMC Health Plan on a total replacement basis. Other requests for blended rates for in-area and extended network plan offerings will be considered on a case-by-case basis.

A prescription drug carve-out will not be permitted for fully insured groups. A prescription drug carve-out for self-funded groups with 200+ eligible employees must be reviewed and approved by Underwriting. Rating loads will be applied for carve-outs.

Stop Loss coverage is required for all self-funded groups with less than 200 eligible employees, and it is recommended for self-funded groups with 200+ eligible employees. Please refer to the Stop Loss Guidelines for more information on quoting.

Benefit plan changes/additions/deletions are permitted only at benefit plan renewal.

Certain benefits will be available for "flexing" for new business and renewals for employer groups with 100+ eligible employees. Non-standard benefits will be permitted for employer groups with 200+ eligible employees. Flexed and non-standard benefits must be approved by the Underwriting Department.

Hearing health benefits will be available as an add-on benefit to medical/pharmacy coverage. Hearing must be offered in conjunction with medical and cannot be offered as a stand-alone product. All employees enrolling in medical coverage must enroll in the hearing health benefit, and in the same enrollment tier as medical, when their employer elects to add hearing health. Hearing opt-outs will not be permitted. Employers with 2 to 199 eligible employees may elect one hearing health benefit option. Employers with 200+ eligible employees may elect two hearing health benefit options. Custom plans will be permitted for employers with 200+ eligible employees.

For groups of **2 to 199 eligible employees**, firm renewals may be provided **70 days** before the effective date. Exceptions can be made with prior Underwriting approval.

For group with **200 to 499 employees,** firm renewals may be provided **100 days** before the effective date. Exceptions can be made with prior Underwriting approval.

For groups with **500+ employees,** firm renewals may be provided **160 days** before the effective date. Exceptions can be made with prior Underwriting approval.

All rates must be approved by the UPMC Health Plan Underwriting Department.

E. Common Ownership

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 Section A.

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.

Any deviation from the underwriting guidelines must have the UPMC Health Plan Underwriting Department's approval.

This document is meant to be informative and is not intended to be an all-inclusive statement of UPMC Health Plan's underwriting guidelines. Other policies and guidelines may apply.