

Legal Requirements

Small group size requirement

In keeping with Rhode Island law, we must verify an employer's size on an annual basis. In addition, employers must offer coverage to all eligible employees and their dependents. To comply with this rule, small employers must provide eligibility documentation for each employee who applies for coverage and a waiver for each employee or dependent who declines coverage. If we do not receive this information, the law requires us to cancel your group coverage. It is important that you respond to our requests for information in a timely manner in order to continue your group coverage.

Rating

We develop a Community Base Rate (CBR) based on the pooled claims experience of all enrolled small employers. Components of the CBR are approved annually by the Health Insurance Commissioner.

The CBR is then adjusted for certain factors prescribed by the Act. Those factors are the age, gender, and contract type [e.g., enrollee, enrollee/spouse, enrollee/child(ren), enrollee/spouse/child(ren)] of all the subscribers enrolled through your small employer plan. The CBR adjustment includes an adjustment based on employee age, with rates for employees between age 30 and 65, varying in five-year age brackets. A lower factor is used for those subscribers age 65 and older for whom Medicare is the primary payer.

Finally, BCBSRI compares the rate quoted for each contract type for your health benefit plan with the rates quoted for each contract type for all health benefit plans issued or renewed in the same period, and makes any adjustments required to ensure that the relationship between the highest and lowest rates quoted falls within the limits prescribed by the Act. These adjustments determine your final rate.

We may not adjust your rate more frequently than annually, except to reflect: (1) a change in benefits that you request; (2) a change in benefits required by law; (3) a change in family composition; (4) a significant change in enrollment; or (5) a change in premium tax as required by law.

Enrollment and renewability

Our small group health benefit plans are offered annually for renewal to all groups that are "small employers," except in limited circumstances prescribed by the Act, including the following:

- Nonpayment of the required premiums, or
- Fraud or misrepresentation by the employer, or
- Noncompliance with minimum participation requirements (see below), or
- Noncompliance with minimum employer contribution requirements (see below).

Minimum participation requirements

- Groups must enroll 75 percent of employees that (a) are eligible for health coverage and (b) have not waived enrollment due to other health coverage.
- If any eligible employees wish to waive coverage for themselves or any of their dependents, the employees' waivers must be documented on a "Waiver/Certification Form" and returned to your account executive.

Minimum employer contribution

- The employer is requested to contribute a minimum of 75 percent of the individual premium rate for all eligible employees.

Subscriber agreement

For your convenience, your account's medical and/or dental subscriber agreements* will be posted in the Employer section of BCBSRI.com. When you make a plan change, your new subscriber agreement will be posted within seven business days after your employees receive their new member identification (ID) cards. Please note that as an employer, you are responsible for distributing copies of subscriber agreements to employees who are enrolled in your group plan.

Changing your benefits

To change your existing benefits, please complete and sign the enclosed Request for Group Insurance Amendment to Sales Agreement, and return it to your BCBSRI account executive, broker, or agent.

**Online subscriber agreements are not available for BlueCHIP Coordinated Health Plan. We will continue to mail subscriber agreements to members covered under these plans.*

Disclosure

Certain Rating and Renewability Provisions Required by the Small Employer Health Insurance Availability Act

The Small Employer Health Insurance Availability Act (the “Act”) requires that BCBSRI conform to certain rating, renewability, enrollment, and marketing practices with respect to “small employers.” **If your business is a “small employer,” this disclosure contains important information for you to read carefully.**

If your business is not a “small employer,” this disclosure does not apply to you. Please notify your broker, general agent, or BCBSRI account executive.

A “small employer” is any person, firm, corporation, partnership, association, or political subdivision that meets all of the following criteria:

- a. It is actively engaged in business;
- b. On at least 50 percent of its working days during the preceding calendar quarter, it employed no more than 50 “eligible employees” with a normal workweek of 30 or more hours, the majority of whom were employed within this state;
- c. It is not formed primarily for purposes of buying health insurance; and
- d. A bona fide employer-employee relationship exists.

An “eligible employee” is a full-time employee who works on a permanent (i.e., not temporary or substitute) basis. Generally, this means an employee with a normal workweek of 30 or more hours and can include full-time employees who work a normal workweek, anywhere between 17.5 and 30 hours, as long as you apply the same eligibility criteria to all employees and without regard to any health status factor. In addition, a self employed individual, a sole proprietor, a partner in a partnership, an independent contractor (provided that the independent contractor is included as an employee under a health benefit plan of a small employer), and/or any retiree under contract with any independently incorporated fire district can be included as an “eligible employee.”

For more information, contact your broker or BCBSRI account representative, or call our Small Business Sales Department at **(401) 459-5959** or **1-800-637-3718**. You can also visit **BCBSRI.com**.