

Eligibility & Enrollment Guidelines for Small Employers

In order to qualify your group and employees for any KPS Health Plans small group plan, you must meet the following eligibility and enrollment guidelines:

Revised Code of Washington (RCW) Small Employer or Small Group Definition

Pursuant to RCW 48.43.005 (24) (as amended by SHB2560 effective June 12, 2008) defines a "small employer" or "small group" as:

Small employer or small group means any person, firm, corporation, partnership, association, political subdivision, sole proprietor, or self-employed individual that is actively engaged in business that employed an average of at least two but no more than fifty employees during the previous calendar year and employed at least two employees on the first day of the plan year, is not formed primarily for purposes of buying health insurance, and in which a bona fide employer-employee relationship exists. In determining the number of employees, companies that are affiliated companies, or that are eligible to file a combined tax return for purposes of taxation by this state, shall be considered an employer. Subsequent to the issuance of a health plan to a small employer and for the purpose of determining eligibility, the size of a small employer shall be determined annually. Except as otherwise specifically provided, a small employer shall continue to be considered a small employer until the plan anniversary following the date the small employer no longer meets the requirements of this definition.

Pursuant to RCW 48.43.005 (10) (as amended by SHB2560 effective June 12, 2008)

Employee means any individual employed by an employer.

KPS Health Plans Small Group (2-50) Eligibility Requirements

- Employer Contribution Minimum: 75%.
- Employee Participation Minimum: 75% of eligible employees (100% for groups of 2-3).
- Dual Choice: Not available.
- Out of Marketing Area Maximum: Up to 25% out of marketing area.

Enrolling Your Small Group

In order to enroll your small group, all required forms, documentation and the first month's premium payment must be received by KPS Health Plans postmarked or accepted on or before the 20th of the month for coverage to be effective the first day of the following month. If it becomes necessary for KPS Health Plans to obtain additional information, the requested effective date will be delayed or denied.

The following information must be provided on the applicable KPS Health Plans forms when submitting a new group for enrollment:

Employer Group Certification

Please check the box that pertains to your group's status. Sign and date the form.

Group Master Application

Complete the entire six-page form including signatures.

Enrollment Application

One form to be completed and signed by each enrolling employee.

Necessary information when filling out the Enrollment Application

To ensure timely consideration of future claims, please include the following information on your enrollment application.

- All information must be legible and completed.
- Member's complete name (must be exactly as they should appear on your ID card).
- Home mailing address.

- Phone number.
- Employer name/group name.
- Date of employment.
- Fill out new enrollment/change in enrollment box that is applicable.
- Date of birth (mm/dd/yy).
- Gender.
- Social Security number for each member (needed per federal regulations).
- Custodial parent of children.
- Proof of Credible Coverage Certificate (this is important to credit pre-existing conditions). Other acceptable proof of prior coverage are: Pay stubs for the past 3 months, Explanation of benefit forms and copy of prior insurance ID card both front and back.

Quoted Rate

Please include a copy of the chosen "Printable Quote" produced from our website at www.kpshealthplans.com, or a copy of the chosen quoted rate provided to you by KPS Health Plans directly or through your agent.

Business Verification

Please provide the following documentation with ALL small group applications:

For Groups of 5-50 employees:

- Washington State Business License

For Groups of 2-4 employees: Please supply the necessary forms, as listed on page 2, for the previous tax year, or a copy of the prior year along with a copy of the filed extension form. When submitting a schedule 1040, please include both the first and second page (which must be signed by the taxpayer) of the form.

Sole Proprietorship:

- 1040 and Schedule C, and
- W-2 for line-7 income, and
- Washington State Business License.
- A spouse will only be considered an employee if they work the required number of hours as

specified on the most recent signed copy of the Group Master Application, and are listed on the most recently filed State of Washington Quarterly Tax Report Form 5208 A & B filed with the Washington State Employment Security Department. In addition, the spouse must also be receiving W-2 income from the business, be listed on the tax forms as a joint owner or taking consistent and regular draws from the company (documentation will be required).

Partnership:

- 1040 for each partner, and
- W-2 for line-7 income for each partner, and
- 1065, and K-1 forms for each partner, and
- Washington State Business License.

Corporation:

- 1120, and
- 5208 A & B, and
- Washington State Business License.

Corporation (S):

- 1120-S, and
- K-1 forms for each shareholder, and
- 5208 A & B, and
- Washington State Business License.

Non-Profit:

- 5208 A & B, and
- Washington State Business License.

Religious Organizations:

- Industrial Insurance form #212-055, and
- Washington State Business License.

Agricultural:

- 1040 with Schedule F, and
- W-2 for line-7 income, and
- Washington State Business License.

Premium Payment

Please submit the total amount of premium due for the first month's coverage at the time of application. If any items submitted are inaccurate or materially misleading, the group may not be eligible for small employer health coverage. It is further understood that in the event that KPS Health Plans determines that coverage was issued on the basis of inaccurate or materially misleading statements, KPS Health Plans may retroactively terminate to the date of issuance. In the event of such retroactive cancellation, KPS Health Plans will follow the terms of the contract for premium refund and recover of claims payments. KPS Health Plans reserves the right to require B & O forms, tax documentation, Quarterly Wage Detail Report or any other form of documentation deemed necessary, on groups of any size, at any time.

Have you included the following?

- Small Group Master Application
- Employer Group Certification
- Enrollment Application (One enrollment application must be completed and signed by each enrolling employee).
- Copy of a printable quote, or a chosen quote rate provided to you by KPS Health Plans through your agent.
- Washington State Business License
- Required Tax Forms (for groups of 2-4 employees)
- Premium Payment
- Complete prior insurance coverage information