



COVERED CALIFORNIA
SMALL BUSINESS

Covered California for Small Business (CCSB) Enrollment & Eligibility Guide

Topic	Guideline
Employer Eligibility	
1	Carve-Outs Carve-Outs are not allowed. Union employees are not eligible unless their benefits are not subject to collective bargaining through the union.
2	Change in Ownership Prior to Renewal of In Force Group If an Employer Group is sold prior to the end of the plan year, the new owner may make changes to business name, FEIN, address, etc. Any material changes (change in plans, coverage level, etc.) cannot be made until the group renews unless the new owner terminates current plan and submits documents to reapply as a new group.
3	Employee plan changes within first 30 days Within the first 30 days of effective date, employee can only make changes within the same carrier. Changing carriers is only permitted prior to effective date.
4	COBRA Administration Covered California CCSB administers Cal-COBRA for groups with 1-19 employees. Employers with 20 or more employees are responsible for administering Federal COBRA.
5	Composite Rating Composite rates are not available for CCSB plans.
6	Contribution Requirements To participate in CCSB, employers must contribute a minimum of 50 percent of the lowest cost employee-only premium in their selected metal tier(s) (Platinum, Gold, Silver or Bronze). This requirement is not enforced during the Annual Special Enrollment from November 15 th – December 15 th each year for a January 1st effective date.
7	Domestic Staff Coverage Employers wishing to cover their domestic staff must provide a DE-9C (or 1 month of payroll if business is less than 3 months old) and must meet all applicable eligibility guidelines.
8	Effective Dates Effective dates for coverage are the 1st of each month. In the case of birth, adoption, and placement in foster care, the effective date for coverage will be either the date of birth, adoption, or placement in foster care or on the 1st of the following month if requested by the employee. In the case of special enrollment following CCSB or Carrier error or a material violation of the contract, the date of the event that triggered the special enrollment period will be the effective date.
9	Eligible Employees Eligible employees include: <ul style="list-style-type: none">• Full-time permanent employees (average of 30 hours a week measured over the course of a month).• Part-time employees (part-time employees who work 20-29 hours per week and coverage offered to part-time employees at owner's discretion).

10	Employee Only Coverage	<p>Employers can apply for employee only coverage. Dependent coverage is optional.</p> <p>However, under the Affordable Care Act’s employer shared responsibility provisions, certain employers (called applicable large employers or ALEs) must either offer minimum essential coverage that is “affordable” and that provides “minimum value” to their full-time employees (and their child dependents - spouse coverage is not mandated), or potentially make an employer shared responsibility payment to the IRS. The employer shared responsibility provisions are sometimes referred to as “the employer mandate” or “the pay or play provisions.”</p> <p>Please visit IRS website for details. https://www.irs.gov/affordable-care-act/employers/determining-if-an-employer-is-an-applicable-large-employer</p>
11	Employee Premium Rates and Location	<p>Employee premium rates are based on the employer's principal business address zip code and not on the employee's residential zip code.</p>
12	Employer address changes and OE or SEP	<ol style="list-style-type: none"> 1. An address change that results in a rating region change takes effect at the next renewal, not at the date of the address change. 2. A change in the physical address for an employer may or may not trigger a new enrollment period for employees as follows: <ul style="list-style-type: none"> • Employer may choose not to start a new plan year based upon the move and therefore will not early renew their policy with CCSB (no OE). Available plans must still be based upon their old address. Employees who move with the employer so that they no longer live or work in the service area of their previously chosen plan would be offered a SEP to select a plan that is available to them at their new location but based upon the employer's old address (e.g. PPO). • Employer may early renew their policy with CCSB based upon their new address. A brand-new open enrollment period (OE) would be allowed if the employer requested it, as a legitimate business reason, if the employer moved to a new location and employees move with them. A new plan year would begin in this instance and rates would reflect those in place as of the date of the new plan year. • No new enrollment period (no SEP or OE) would be triggered if the location changes for the employer did not result in the relocation of any employees.
13	Group Size	<p>Employers are eligible to purchase coverage for their employees and dependents in CCSB if they have 1 to 100 full-time equivalent employees. An eligible employee is one who works an average of 30 hours per week or 120 hours per month based on a month of work. An employer can decide to offer coverage to part-time employees who work between 20 and 29 hours per week.</p> <p>Please visit IRS website for assistance. https://www.irs.gov/uac/small-business-health-care-tax-credit-questions-and-answers-determining-ftes-and-average-annual-wages</p>
14	Groups That Grow Over 100	<p>A small business that is enrolled in CCSB and grows to exceed 100 full-time equivalent employees will be allowed to renew their coverage as long as the employer continues to meet CCSB eligibility requirements, including contribution and participation requirements.</p>
15	Guaranteed Issue	<p>Employers and their employees who are eligible for CCSB are guaranteed coverage.</p>

16	Health Reimbursement Arrangements or Other Employer Funded Arrangements	HRAs and other employer funding arrangements for employee cost share is subject to carrier requirements as stated in their specific Group Service Agreements (GSAs) for CCSB policies.
17	Spouse Only Groups	Spouse only groups are not eligible for coverage. An employer must have one common law employee (which cannot be a spouse) that works at least 30 hours a week.
18	Minimum Group Size	Minimum group size is 1 Full Time Equivalent (FTE) employee. An eligible group is one that has 1-100 FTEs. Employers and spouses do not count as FTEs for the purposes of determining group size. The only way an employer and spouse only group could be eligible is if the required "common law employee" works as an FTE, or a minimum of 30 hours per week on average. Otherwise they would have less than 1 FTE.
19	New Business Materials Submission Deadline	The submission deadline is 5 business days prior to the requested effective date. Completed submissions received after the deadline will carry an effective date no earlier than the first of the following month unless the employer submits a signed CCSB New Business Late Submission Acknowledgement Form.
20	New Businesses	New businesses that are applying for CCSB must adhere to the requirements specific to their business type per Step 1 of the Employer Application.
21	Owner/Partnership Eligibility	Owners/Officers are eligible and do not need to be on payroll to qualify for CCSB. However, employers must provide appropriate documentation for owners/officers to verify eligibility and must have at least (1) common law employee other than the Owner/Officer. <i>This requirement also applies to nonprofit organizations.</i> Please refer to Step 1 of the Employer Application for instructions.
22	Participation Requirements	A minimum of 70 percent of eligible employees must participate with CCSB. If employer pays 100 percent of the employees' health premiums, then all eligible employees must enroll through CCSB. Valid waivers are not required to enroll and are not counted when calculating participation. Employers not meeting participation requirements may still sign up during the Annual Special Enrollment Period (Nov. 15th - Dec. 15th).
23	Percentage of COBRA Participants Allowed	There is no maximum percentage of COBRA or Cal-COBRA participants an enrolling employer group may have.
24	Placing Business with CCSB and Another Carrier	Allowed as long as 70% of eligible employees are enrolled with CCSB, except if the enrollment occurs during the Annual Special Enrollment (Nov 15 - Dec 15). The Annual Special Enrollment Period allows employers to enroll without meeting the CCSB participation and/or contribution requirements.
25	Plans for Out of State Dependents	Dependents who reside out of state are eligible for emergency coverage only, unless on an eligible PPO plan. Certain PPO plans include out of state providers in their networks outside of California.
26	Rate Guarantee	Rates for CCSB plans are guaranteed for 12 months from effective date.
27	Reapplying for Coverage After Notice of Coverage Cancellation	Employers may reapply after coverage cancellation for either voluntary termination or for involuntary termination due to non-payment of premium. Employers seeking to reapply for coverage shall be considered a new group.
28	Reinstatements for Coverage After Notice of Coverage Cancellation	Terminated groups due to non-payment may request to be reinstated in the same coverage in which last enrolled within 30 days of termination effective date. Past due premiums, if any, must be paid before a group is reinstated without a lapse in coverage. Group may only reinstate once during the 12-month period beginning at the time of their original effective date or from their most recent renewal date, whichever is more recent.

29	Annual Special Enrollment Period	The Annual Special Enrollment Period for employers is Nov. 15th through Dec. 15th for a January 1st effective date. Groups not meeting participation or contribution requirements are allowed to enroll in CCSB during this special enrollment period every year. Groups must meet all other requirements.
30	Documents Required to Verify Group Eligibility	Refer to Step 1 of the Employer Application for submitting required employer documentation.
31	Two-Life Groups with One Eligible Waiver	Two-life groups with one valid waiver are eligible for CCSB coverage. An employer must have one common law employee (which cannot be a spouse) that works at least 30 hours a week.
32	Waiting Periods	Waiting periods are determined and monitored by the employer and must comply with applicable federal and state law, including the California Insurance Code and the California Health and Safety Code. CCSB does not monitor waiting periods.
33	Waiving Waiting Periods	At the employer's discretion, waiting periods can be waived <i>only at initial enrollment</i> for new hires.
34	Discontinued Reference Plan	If an employer's reference plan is no longer available at renewal, the employer must select a new reference plan during the employer's annual election period. If employer does not select a new reference plan prior to renewal quote creation, a default alternative reference plan will be auto-selected for the group. However, the contribution rate applied to the new reference plan will remain as the previous employer contribution rate selected.
Employee Eligibility		
35	Infertility	<p>Less than 20 FTEs: Employers with less than 20 FTE employees have the option to include Infertility benefits only on Non-HMO plans.</p> <p>If Employer chooses to offer Infertility benefits, the following applies:</p> <ul style="list-style-type: none"> • Employees who select an HMO product cannot select a plan with Infertility benefits. An EPO or PPO product must be selected. <p>If Employer chooses to not offer Infertility benefits, the following applies:</p> <ul style="list-style-type: none"> • Employees electing an HMO, PPO or EPO product cannot select a plan with Infertility benefits. <p>More than 20 FTEs: Employers with more than 20 FTE employees have the option to include Infertility benefits on all plans or not to offer Infertility benefits.</p> <p>If your employer has chosen to offer Infertility benefits, the following applies:</p> <ul style="list-style-type: none"> • All products shall include Infertility benefits. <p>If your employer has chosen not to offer Infertility benefits, the following applies:</p> <ul style="list-style-type: none"> • All products shall not include Infertility benefits.
36	Dependent Children Age Max	Dependent children are eligible for medical coverage up to age 26. Notice of termination for child dependents who turn 26 is provided 90 days prior to the last day of coverage. Termination is effective the 1st day of the month following their 26th birthday.

37	Eligible Dependent(s)	Employers that wish to offer dependent coverage may do so for the following qualified dependent(s):• Spouse• Registered Domestic Partner• Non-registered Domestic Partner• Children (including adopted children, foster children, or those under legal guardianship)• Disabled Adult Children. Under the Affordable Care Act’s employer shared responsibility provisions, certain employers (called applicable large employers or ALEs) must either offer minimum essential coverage that is “affordable” and that provides “minimum value” to their full-time employees (and their child dependents - spouse coverage is not mandated), or potentially make an employer shared responsibility payment to the IRS. The employer shared responsibility provisions are sometimes referred to as “the employer mandate” or “the pay or play provisions.”
38	Families that Work for the Same Company	Family members that work for the same employer may enroll as a subscriber with dependents or separately, at their discretion. All eligibility requirements still apply.
39	Ineligible Employees	Employees that are not eligible for coverage in CCSB include: <ul style="list-style-type: none"> • 1099 employees • seasonal employees • temporary employees • union employees (subject to collective bargaining) • Part-time with less than 20 hours per week
40	Maximum Enrollee Age	There is no maximum enrollee age for a subscriber; however, there is a maximum enrollee age for a dependent child, which is 26.
41	Medical Group/Independent Physician Association (IPA) Selection by Dependents	Each carrier determines if dependents can choose a different medical group/IPA than that chosen by the subscriber.
42	Newborn Policy	For the first 30 days of the newborn's life, he or she will be covered as an extension of the mother under her policy and deductible. Starting on day 31 of the newborn's life, the baby will need to have his or her policy. Upon enrollment, the coverage effective date is date of birth or the first day of the following month, at the parents' election.
43	Plan Selection Options for Employees and Dependents	Employees and their dependents must be enrolled in the same plan.
44	Premium Rates - Initial Group Enrollment and Renewal	Employees and their dependents will be rated at the age they are at the time of their initial group enrollment. Rates will not change until the annual group renewal. At renewal, rates will reflect enrollee ages as of the renewal date.
45	Retiree Coverage	Retiree coverage is not offered.
46	Employee's Discontinued plans	At renewal if an employee's plan is discontinued, the employee will be passively renewed to the lowest cost plan offered by the same carrier and within the same metal tier. If same carrier is not available with CCSB, the employee may be passively renewed to enrolled in the lowest cost plan with a different carrier within the same metal tier.
Professional Employer Organization (PEO)		
47	PEO Sub-Groups	PEO Sub-groups are eligible to enroll in CCSB. Most recent PEO payroll invoices will be accepted in lieu of DE9-C/payroll records. All other submission requirements apply.
48	PEO Coverage for Owners and Administrative Staff	PEOs are eligible for CCSB coverage if they meet the definition of qualified small employer.
Billing		
49	Payment	Initial and ongoing payment must be 85% or greater of the total amount due to CCSB. For new enrollment, membership is not effectuated until initial payment is received and applied to the group's account.

50	Payment Grace Period	<p>Health care premiums are due prior to the month of coverage and must be postmarked by the last day of the invoicing month. If 85% or more of the invoice total amount due is not received by the end of the grace period, employer will be notified that coverage will terminate at the end of the grace period. The participating employer is responsible for notifying employees if coverage lapses.</p> <p>Grace Period A period of 30 days will be allowed for payment of any premium due after the initial premium. If less than 85% of the total amount due is paid within that period, coverage will terminate at the end of the grace period. The employer will be notified of the grace period and effective date of termination.</p>
51	Payment Options for Monthly Invoices	<p>Payments can be made via check, cashier's check, or money order and made payable to: Covered CA CCSB or Covered CA Small Business.</p> <p>Please send payment to:</p> <p>Payment Mailing Address: Covered California for Small Business PO Box 740167 Los Angeles, CA 90074-0167</p> <p>Overnight Payment Mailing Address: Bank of America Lockbox Services Lockbox LAC-740167 2706 Media Center Drive Los Angeles, CA 90065</p>
52	Non-Sufficient Fee (NSF)	<p>Premium payment that is returned for unpaid for any reason, CCSB shall apply a \$25.00 insufficient funds fee. If a second premium payment is returned unpaid for any reason within six months of the prior returned payment, the employer shall submit payment and the insufficient funds fee for the returned payment in the form of a cashier's check or money order. This requirement to make monthly premium payments in the form of a cashier's check or money order shall continued for a period of 12 months beginning with the first month following the last paid through date.</p>
53	Rate Verification	<p>For new group enrollment, the final rates will be reflected on the first payment invoice.</p>
Out of State plans and guidelines		
54	Percentage of Out of State Employees Allowed	<p>Small employers eligible for coverage in CCSB must have the majority of their employees employed within California (employed at a California worksite).</p>
55	Multi-State Groups	<p>Employer may participate in multiple SHOPS if the employer offers coverage to employees whose primary work site is in the SHOP service area. Employer must submit a completed application and all required documentation required of CA domiciled employers. Plan availability and rates will be tied to the CA worksite address where the majority of that employer's employees work.</p>
56	Out of State plans	<p>Blue Shield PPO (all metal tiers) is available for out of state employees.</p>
57	Out of State Rates and Locations	<p>Out of state employee rates and plan availability are based on the employer's principal business address location.</p>
Valid Waiver		

58	Valid Waiver	<p>Employees hold valid waivers if they have:</p> <ul style="list-style-type: none"> • Coverage through an employer-sponsored plan • Coverage by Tricare • Coverage by Medicare • Coverage by Medi-Cal • Coverage by Medicaid • Coverage by any other federal or state health coverage program - excluding health plan coverages that are sold in the Individual Exchange <p>Employees that waive coverage in CCSB are not eligible for APTC unless CCSB premium/employer contribution does not meet the affordability provision of the ACA. Waiving employees that enroll in individual coverage through the Covered California Individual Marketplace are not considered valid waivers. Valid waivers are not counted toward group participation calculations.</p>
Dental coverage		
59	Children's Dental Age Maximum	<p>Dependent children are eligible for Children's Dental coverage up to age 19. Coverage is terminated the 1st of the month following their 19th birthday. If dependent child ages out of Children's Dental and loses dental coverage, it will be considered as a qualifying event for the dependent child only. The dependent child may choose to enroll in a family dental plan.</p>
60	Children's Dental Coverage for Child Dependents	<p>Child dependents (up to the age of 19) can enroll in Children's Dental coverage at the employee's discretion. (Please note that some medical plans have Children's Dental embedded)</p>
61	Qualifying Event	<p>Losing other dental coverage is a qualifying event to add dental during a plan year for both the employee and dependent.</p>
62	When Dental can be added	<p>Eligible employees and dependents may add a dental plan during the plan year if they experience a qualifying life event or during their annual open-enrollment period.</p>