

## CHANGES FOR GROUPS RENEWING INTO OXFORD NEW YORK AND NEW JERSEY SMALL GROUP PRODUCTS

Last year, we communicated planned changes to our online enrollment tool, IDEA Management System<sup>SM</sup> (IDEA) as part of the enforcement of minimum participation and other underwriting guidelines for new groups enrolling in Oxford<sup>1</sup> small group (2-50) products. These changes are now being implemented for **renewing small group (2-50) business** in New York and New Jersey beginning with groups renewing on or after **July 1, 2013**. System updates within IDEA will be visible on May 10, 2013. Please note that the delay in availability for IDEA will not affect the timing of hard copy renewals mailings. Updated forms and reference materials will be available in the forms sections of the employer and broker portals on oxfordhealth.com on April 15, 2013.

**As part of this implementation, New York and New Jersey small groups (2-50) renewing on or after July 1, 2013 will be required to submit the documentation listed below in order to be processed for renewal. Groups will no longer automatically renew if no action is taken and coverage will be terminated if the documentation listed below is not provided within the required time frame.**

**Also beginning with new groups enrolling or existing groups renewing in Oxford small group (2-50) products in New York on or after July 1, 2013, Form W-4 will no longer be accepted as evidence of an employee's eligibility for coverage.**

### Required documentation for New York small groups (2-50) renewing into the same market segment

- Certification form
- Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return Form (NYS-45) or alternative tax documentation detailed in "Instruction Sheet – Oxford NYSG Tax Form Submissions"

### Required documentation for New York small groups (2-50) renewing into a different market segment

Existing groups renewing into a different market segment are considered new business and will require the appropriate New York employer group application form for that market segment.

- Group application
- Eligible waivers (for groups renewing into another market segment only)
- Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return Form (NYS-45) or alternative tax documentation detailed in "Instruction Sheet – Oxford NYSG Tax Form Submissions"

### Required documentation for New Jersey small groups (2-50)

- New Jersey Wage Reporting (WR-30) Tax Form
- Employer Certification (Exhibit O)
- HSA Certification of Understanding (if applicable)

Groups may be audited before or after renewal. Additional documentation may be required upon audit. If a group is renewed, and a post enrollment audit shows the group did not meet the requirements at the time of the renewal or provided inaccurate information, the group will be subject to termination as allowed by state law.

As a reminder, attached are the minimum participation and underwriting guidelines for our New York and New Jersey Oxford insurance-based (OHI) and Oxford HMO-based (OHP) plan designs. **Please review these guidelines for a list of the required documentation needed for both online and paper applications.**

[New York Small Group \(2-50\) Underwriting Requirements](#)  
[Instruction Sheet – Oxford NYSG Tax Form Submissions](#)

[New Jersey Small Group \(2-50\) Underwriting Requirements \(Attachment A\)](#)  
[Instruction Sheet – Oxford NJSG Tax Form Submissions](#)

If you have any questions regarding the changes outlined above please contact your sales representative.

<sup>1</sup> Oxford HMO products are underwritten by Oxford Health Plans (NY), Inc and Oxford Health Plans (NJ), Inc. Oxford insurance products are underwritten by Oxford Health Insurance, Inc.

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## ALL GROUPS – OXFORD HEALTH INSURANCE, INC. (OHI) & OXFORD HEALTH PLANS (NY), INC. (OHP)

The following underwriting requirements apply to all applications or renewals of coverage on our OHP HMO, our dual-licensed POS and our OHI insurance products.

**A. Group Size Requirements:** To be eligible for small group coverage, a group must be located in a county where we offer Oxford products and have at least two (2) but not more than fifty (50) eligible employees. (See eligibility section for eligible employee definition.) The following are not counted toward group size:

- any person who performs services for the company that are reported on an IRS 1099 form (such a person is not an employee and is not eligible for coverage); or
- any former employee who is covered through retiree benefits, the Consolidated Omnibus Budget Reconciliation Act (COBRA) or state continuation.

If the employer does not offer group health coverage to all eligible employees, group size will be calculated based on 1) the number of eligible employees who work in the state of New York and 2) if the employer offers Oxford coverage to out-of-state employees, the number of out-of-state eligible employees. (See eligibility section for more information on valid classes.)

Groups that no longer meet the small group size requirements will be offered a renewal in accordance with their appropriate market segment, provided they meet the underwriting requirements.

**B. Eligibility:** Eligible employees, former employees eligible for COBRA or state continuation and, if the group offers retiree benefits, all eligible retired former employees, can be enrolled in Oxford small group products.

- **Eligible employees:** Active permanent employees of the employer and of all subsidiaries or affiliates of a corporate employer who work 20 or more hours per week and are eligible for health benefits through the employer's group health plan. Eligible employees must live, work or reside in the service area. Eligible employees do not include:
  - any person who performs services for the company that are reported on an IRS 1099 form (such a person is not an employee and is not eligible for coverage);
  - any former employee who is covered through retiree benefits, COBRA or state continuation;
  - any employee who does not live, work or reside in the United States; or
  - co-employees of a Professional Employer Organization (PEO), Employee Leasing Company (ELC) or other such entity that is a co-employer with a client of client-site employees
- **Valid Employer Class(es):** An employer may elect to offer coverage to a class of employees based on conditions pertaining to employment: geographic situs of employment, earnings, method of compensation, hours and occupational duties. Employees who work less than 20 hours per week are not eligible employees and may not enroll in any Oxford products.

Example: Employer may elect to offer coverage only to employees who work at least 40 hours per week.

**C. Out-of-Area:** Out-of-area enrollment is not allowed on OHP plans. Eligible employees who live, work or reside in states other than New York may be covered on certain OHI products that provide for out-of-state coverage in the employees' location. These OHI products are available only to the extent OHI may offer out-of-area coverage in the employees' location. When an eligible employee is located outside of the Oxford service area, the following rules apply:

- Out-of-area enrollment is only allowed on either our OxfordUSA product or our OHI products with a Freedom Network. These products have access to the UnitedHealthcare Choice Plus national network.
- Out-of-area enrollment cannot exceed 75 percent of the total employees enrolled on all Oxford products.
- Only one OxfordUSA plan design is allowed. The OxfordUSA plan is available only if the group does not select an OHI plan for the out-of-area enrollees.

**D. Plan Design Rider Rules:** If the group selects multiple plan design options, the following rider rules apply:

- Pharmacy riders must be the same for all plan options, except for federally qualified Health Savings Account (HSA) plans, which require the deductible for medical and pharmacy to be the same.
- For all other riders, all plan options must have the same riders (e.g., Vision, Dental). There can be variations in the rider benefit level among the options if available.
- Rider rules do not apply if the rider is not available with the product selected (e.g., alternative medicine).
- If a renewing group makes a plan change, the plan design rider rules will apply.

#### **E. Multiple Plan Design Rules:**

- Multiple plan design options can be offered as point of enrollment (POE) (e.g., High Plan vs. Low Plan) or by class distinction (e.g., Salaried vs. Hourly).
- Additional multiple plan design rules apply to OHI (see next section).
- If a renewing group makes a plan change, the OHI multiple plan design rules (below) will apply.

**F. Documentation Requirements:** If the below required documents are not provided within the required timeframe, the group will be denied enrollment, non-renewed or terminated. We may audit groups before or after enrollment/renewal. If we enroll or renew a group and a post enrollment/renewal audit shows the group did not meet the requirements at the time of enrollment and was not eligible for coverage, the group will be terminated.

Required documents:

- Group Application (new business) or Certification Form (renewing business)
- Eligible waivers (required for all new business, renewing groups on audit and groups renewing into a new market segment)
- The Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return Form (NYS-45) or alternative tax documentation detailed in "Instruction Sheet – Oxford NYSG Tax Form Submissions."

Additional documentation may be required upon audit.

### **ADDITIONAL REQUIREMENTS FOR OXFORD HEALTH INSURANCE, INC. (OHI) PRODUCTS**

The following additional requirements apply to all applications or renewals of coverage on our OHI insurance products:

#### **A. Minimum Participation – Calculation:**

- A minimum of 51 percent of all eligible employees after valid waivers must be enrolled.
  - Valid waivers consist of: Spousal, Medicare, Medicaid and Veteran's Coverage.
  - If the group offers retiree coverage, a minimum of 51 percent of all eligible employees after valid waivers and all eligible former retired employees must be enrolled. (Additional documentation may be required on audit to confirm retirees' eligibility for coverage.) • To determine total enrollment for the purpose of calculating participation, we will count employees and eligible former retired employees (if applicable) enrolled in both OHI and OHP products. Former employees enrolled through COBRA or state continuation are not counted.

#### **B. Minimum Participation – Other Employer Sponsored Coverage:**

- Other employer sponsored health insurance coverage may not be offered alongside OHI products. Because our participation requirement is 51%, this would prevent both carriers from meeting New York state minimum participation requirements.
- Other employer sponsored HMO coverage may be offered alongside OHI products, but is not considered a valid waiver and may impact a group's ability to meet minimum participation requirements for OHI products.

#### **C. Classes:**

- Coverage may be limited to specific class(es) of employees if they are the only employees offered coverage in New York.
  - Class(es) may be determined only by conditions pertaining to employment: geographic situs of employment, earnings, method of compensation, hours and occupational duties. As noted previously, our products are not available to cover employees who work less than 20 hours per week.
  - Example: Employer only offers coverage to employees who work 40 hours per week.
  - Example: If employer only offers coverage to a management class, coverage is available for the class. However, if the group offers coverage to both management and non-management employees in the New York service area, both classes must be covered by Oxford; OHI coverage is not available only for the management class.

#### **D. Multiple plan design rules:**

- Groups that have 14 or less eligible employees enrolled may select one in-area OHI plan design option.
- Groups that have 15 or more eligible employees enrolled may select two in-area OHI plan design options.
- More than two OHI plan design options will not be allowed.
- The OxfordUSA plan is only available for out-of-area enrollment and will not count toward the total number of plan design options allowed.

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**INSTRUCTION SHEET**  
**Oxford\* New York Small Group Tax Form Submissions**

As part of the group enrollment process, Oxford requires that New York small groups submit tax documentation to verify that the group meets the eligibility requirements for healthcare coverage.

We require **the most recent copy** of your state **Quarterly Wage and Tax Report (NYS-45)**. If your company does not file a Quarterly Wage and Tax Report (NYS-45) or you have employees or owners who are not listed on the Quarterly Wage and Tax Report, please submit the following tax documentation, where applicable:

Official Group Filing in New York	Required Documents
Sole Proprietorship	<b>IRS Schedule C (Form 1040)</b> or <b>Schedule F</b> (farms)
S-Corporation	<b>Schedule K1 (Form 1120S)</b>
C-Corporation	<b>IRS Form 1120 (pages 1-2)</b> , including <b>Schedule K5</b> and <b>Form 1125-E</b>
Partnership / Limited Liability Company	<b>Schedule K1 (Form 1065)</b>
Limited Liability Company	Appropriately filed IRS schedule(s)
Non-Profit Company	Most recent quarter federal <b>Form 941</b> and current <b>two-week payroll report</b>
Group who filed a consolidated tax return as an affiliated group	Copy of most recent <b>IRS Form 851</b>
New Hires	Most recent <b>two-week payroll report</b>

**Next to each employee listed on the tax documents, please indicate the following:**

- State of residency
- Status code (from the list below)
- Date of hire or termination date (if applicable)

**The submitted documents must identify all employees, owners, partners and contracted employees of your business – not only those who have Oxford medical coverage.**

STATUS CODES			
<b>A</b>	Employee is actively enrolled (plan subscriber).	<b>S</b>	Employee is covered under spouse's employer plan.
<b>M</b>	Employee is covered under Medicare.	<b>O</b>	Employee has other coverage. Specify nature of coverage (e.g., individual, group, military, parental, etc.).
<b>T</b>	Employee is terminated (no longer works for this employer).	<b>D</b>	Employee is declining coverage (i.e., due to cost or doesn't want). Only use this code if the employee is full-time with no other coverage or waiver reason.
<b>P</b>	Employee is part-time and works less than the required full-time hours (includes temporary and seasonal employees).	<b>L</b>	Employee is not actively working due to Leave of Absence or other reason. Please provide the last tax form or payroll the employee is listed on.
<b>W</b>	Employee is full-time but is in the policy's waiting period. Indicate date of hire and date the employee will be eligible for coverage.	<b>C</b>	Person is covered under state or federal (COBRA) continuation law. Indicate continuation start date and whether coverage is provided by a prior employer or by your company.

\* Oxford HMO products are underwritten by Oxford Health Plans (NY), Inc. Oxford insurance products are underwritten by Oxford Health Insurance, Inc.

## UNDERWRITING GUIDELINES

The following underwriting guidelines must be met for Oxford Health Insurance, Inc. or Oxford Health Plans (NJ), Inc. (“Oxford”) to accept this Application:

- A. Any effective date of coverage may be selected as long as all information is received by Oxford on or before the requested effective date. If the initial effective date is on the first of the month the group will renew on the first of that same month every year. If the initial effective date is after the first of the month, the renewal date will be on the first of the following month (e.g. if the group is effective 11/02, the group will renew on 12/01 of the following year).
- B. The Employer must contribute at least 10% toward the total group premium.
- C. Class carveouts are allowed as long as the employer is not sponsoring another plan for the excluded employees/classes. Regarding class carveouts in general, pursuant to new federal rules, please consult your tax professional or attorney.
- D. Dual and Triple Options will be allowed. A fourth option will not be allowed for class carveout or any other purpose.
- E. Out-of-area enrollments, including Oxford USA<sup>SM</sup> enrollment, cannot exceed 50% of the total enrolling employees.
- F. Participation: New Jersey Small Group (2-50) requires that 75% of eligible employees after valid waivers are enrolled in an Oxford product. Valid waivers are a Group Health Plan offered by spouse, parent, or another employer, Medicare, Medicaid, NJ FamilyCare, or other Federal or State sponsored Health Plan.
- G. In establishing the percentage of employee participation, a one-to-one credit shall be given to each employee covered by a Group Health Plan offered by spouse, parent, or another employer, Medicare, Medicaid, NJ FamilyCare, or other Federal or State sponsored Health Plan.
  - For example; a small group has five eligible employees and three of those employees each have coverage under their spouse’s plan. The three employees are to be included in the count for the number of enrolling employees when determining the participation percentage. The employees with coverage under a spouse’s plan are considered to have health coverage; and, therefore, count toward the employee participation. In this way, a group is not penalized if they have employees covered by a Group Health Plan offered by spouse, parent, or another employer, Medicare, Medicaid, NJ FamilyCare, or other Federal or State sponsored Health Plan.
- H. Documentation Requirements:
  - a. Group Application
  - b. The New Jersey Wage Reporting (WR-30) Tax Form, the Small Employer Health Benefits Waiver of Coverage (Exhibit T) or other standard accepted forms are required.
  - c. Employer Certification (Exhibit O) and HSA Certificate of Understanding are required.
- I. New groups have five business days from the date the group is pended to submit any outstanding required documents.
- J. If forms are not provided as required, the group will be denied coverage/terminated.
- K. Final rates are based on final enrollment by plan design.

## Renewal Requirements

Recertification of participation, payroll/tax status, and all other requirements listed above (with the exception of exhibits A and I) must be met one day prior to the effective date. Valid waivers are **not** required upon renewal.

We reserve the right to audit groups that do not respond to requests for information and to terminate groups either on the basis of audit results or in the event that necessary information is not provided on a timely basis.

Grandfathered business will not be required to give up multiple plan/multiple carrier arrangements that are currently in place until such time as a plan change is requested and approved. The certification/documentation requirements will apply to all renewals.



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**Oxford\* New Jersey Small Group Tax Form Submissions**

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We require **the most recent copy** of your state **Quarterly Wage and Tax Report (QWR)**. If your company does not file a Quarterly Wage and Tax Report (QWR) or you have employees or owners who are not listed on the QWR, please submit the following tax documentation where applicable:

Official Group Filing in New Jersey	Required Documents
Sole Proprietorship	<b>Schedule C (Form 1040)</b> or <b>Schedule F</b> (farms)
C-Corporation	<b>Form 1120</b> (pages 1-2), including <b>Schedule K5</b> and <b>Form 1125-E</b> and <b>WR-30</b> .
S-Corporation	<b>Schedule K1 (Form 1120S)</b> and <b>WR-30</b> for existing employees
Existing Partnership	<b>Schedule K1 (Form 1120S)</b> listing the names of eligible partners and <b>WR-30</b>
Limited Liability Company (LLC)	Appropriately filed IRS schedule(s)
Group that filed a consolidated tax return as an affiliated group	Copy of most recent IRS <b>Form 851</b>
New Hires	Most recent two-week payroll report
Contracted Employees	<b>Form 1099</b> for all contracted employees for whom you offer coverage

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