

# MHC for Small Business

## Eligibility & Enrollment Guide

### (For Employers & Brokers)

#### Employer Eligibility:

Topic	Guideline
<b>Change in Ownership Prior to Renewal of Existing Group</b>	<p>If an Employer Group is sold to another organization prior to the end of the plan year, the new owner may make changes to the business address, group administrator, business phone number, etc.</p> <p>If the new owner wishes to make material changes before the renewal, they must terminate the current plan and reapply as a new group. Additionally, the business name and FEIN cannot be altered; a new group must be established for such changes.</p>
<b>COBRA Administration</b>	<p>For groups with fewer than 19 employees, MHC-SB administers and invoices Maryland State Continuation beneficiaries. For groups with 20 or more employees, MHC-SB administers Federal COBRA. In cases where MHC-SB user accounts are not available, such as spouse and dependents, the employer is responsible for notifying and enrolling the participants for the following qualifying events; Divorce, Entitlement to Medicare, Death of Employee, and Cessation of Child Dependency.</p>
<b>Composite Rating</b>	Composite rates are not available for MHC-SB plans.
<b>Reference Plan</b>	A group must select a reference plan within its requested metal tiers. The reference plan is the plan chosen to determine the amount the employer will contribute towards the premiums for employees, spouses, and dependents.
<b>Contribution Requirements</b>	<p>To participate in MHC-SB, employers do not have to contribute towards the employee cost of the premium.</p> <p>However, to qualify for the Federal Small Business Health Insurance Tax Credit, the employer must contribute at least 50 percent toward employee-only health insurance premiums (35%</p>

	for tax-exempt/nonprofit organizations). Amounts paid toward dependent coverage, if offered, also may be included in this total.
<b>Minimum Participation Requirements</b>	<p>When offering coverage through MHC-SB, at least 60% of all eligible employees must enroll or sign a waiver with MHC for Small Business. Employees with the following coverage are not included in the employee participation calculation:</p> <ul style="list-style-type: none"> <li>• Employees covered under other private group health plans</li> <li>• Employees covered under public health care programs, including Medicare, Medicaid and TRICARE.</li> <li>• Employees under the age of 26 and covered under their parent's health benefit plan.</li> <li>• Employees have individual coverage, including Individual Marketplace coverage – with access to a Federal subsidy (due to minimum essential coverage or affordability provisions).</li> <li>• COBRA enrollee or retiree.</li> <li>• Employees have an existing small business coverage through another State or Federal Marketplace.</li> <li>• Non-employees such as the owner and spouse of the owner are not included in the participation calculation unless they are full-time employees.</li> </ul> <p>MPR Calculation: <math>[(\text{Number of Employees Enrolled into Small Business Coverage} + \text{Employees with valid waivers}) / \text{Total Number of Active Employees}] * 100</math></p> <p>This requirement is not enforced during the Annual Special Enrollment period from November 15th to December 15th each year, with an effective date of January 1st. The MHC-SB system automatically calculates the group's MPR based on the number of active employees and enrolled employees added to the group's roster. The employer will be notified if the group does not meet the MPR.</p>
<b>Effective Dates</b>	Groups may start the registration and benefit package creation process at any time. However, the effective date for group coverage is the 1st of each month. To ensure that coverage begins on the 1st of the following month, group applications must be submitted through the enrollment portal no later than the 10th of the month preceding the effective date.

<b>Canceling Employer-Sponsored Coverage</b>	The employer is able to cancel coverage at any time of the year after providing employees a minimum of 30-day notice for coverage to end. MHC-SB will not provide the 30-day notice to employees. Changes to coverage, including both the start and end dates, cannot be applied retroactively.
<b>Eligible Employees</b>	<p>Eligible employees include:</p> <ul style="list-style-type: none"> <li>• Full-time permanent employees (average of 30 hours a week measured over the course of a month).</li> <li>• Part-time employees (part-time employees who work less than 29 hours per week and coverage offered to part-time employees at owner's discretion).</li> <li>• 1099 contractual employees</li> </ul> <p>Note: Under ACA, 1099 employees are NOT considered eligible employees, however, if they meet the IRS definition for a "Common Law Employee" then they could be covered under the group plan.</p>
<b>Employee Only Sponsored Coverage</b>	An employer's offer of health insurance coverage must extend to all full-time employees (FTEs). Part-time employees may be offered coverage at the employer's discretion. In Maryland, employers are <b>not</b> required to contribute toward the premiums for either the employee or the employee's dependents.
<b>Employee Premium Rates and Location</b>	Generally, Employee premium rates are based on the employer's Maryland principal business address zip code. Additionally, premium rates are based on the age of the employee/dependents at the time of enrollment.
<b>Employer address changes and OE or SEP</b>	<ol style="list-style-type: none"> <li>1. An employer's business address change that results in a rating region change takes effect at the group's upcoming renewal year.</li> <li>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"> <li>• Employers may decide not to initiate a new plan year due to a move and will continue their policy with MHC-SB. The available plans will be based on their previous address. If employees relocate with the employer and thus no longer live or work within the service area of their selected plan, they may complete a change request and select the applicable SEP reason to choose a plan that is available at their new location.</li> <li>• Employer(s) may choose to reapply for their policy with MHC-SB based on their new address. A new plan year</li> </ul> </li> </ol>

	would begin in this instance and rates would reflect those in place as of the date of the new plan year. Plan availability and updated rates will be reflected during the reapply process.
<b>Group Size</b>	Employers are eligible to purchase coverage for their employees and dependents in MHC-SB if they have 1 to 50 full-time equivalent (FTE) employees. An eligible employee is one who works an average of 30 hours per week. An employer can choose to offer coverage to part-time employees who work less than 30 hours per week. If a group is enrolled and in the middle of the year, the group enrollment drops below 1, the group remains active in MHC-SB until their renewal period. If they do not enroll an employee before their renewal, their benefit package will be canceled.
<b>Maximum Group Size</b>	New groups with more than 50 full-time equivalent (FTE) employees are ineligible for coverage under MHC-SB. A small business enrolled in MHC-SB that exceeds 50 FTE employees during its plan year may retain its coverage for the remainder of the plan year and at renewal.
<b>Minimum Group Size</b>	The minimum group size is one (1) FTE. 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.
<b>Owner/Partnership Eligibility</b>	Owners/Officers are eligible and do not need to be on payroll to qualify for MHC-SB. However, employers must attest to owners' eligibility and that at least (1) common law employee other than the Owner/Officer exists. <i>This requirement also applies to nonprofit organizations.</i>
<b>Participation Requirements</b>	A minimum of 60 percent of eligible employees must participate with MHC-SB. Valid waivers are required for employees who choose to not participate 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).
<b>Percentage of COBRA Participants Allowed</b>	There is no maximum percentage of COBRA or MD State Continuation participants an enrolling employer group may have.

<b>Plans for Out of State Dependents</b>	Dependents who reside out of state are eligible for services only in their plan's service area or for emergency coverage outside of the service area. Certain PPO plans include out-of-area providers in their networks.
<b>Rate Guarantee</b>	Rates for MHC-SB plans are guaranteed for 12 months from the effective date. Rates for each member are determined by the group's location (zip code) and the enrolling employee's age.
<b>Reapplying for Coverage After Notice of Coverage Cancellation</b>	Employers may reapply after either voluntary termination or involuntary termination due to non-payment of premium. Employers seeking to reapply for coverage shall be considered a new group.
<b>Guaranteed Issue</b>	Employers and their employees who are eligible for MHC-SB are guaranteed coverage (Md. Code Regs. 31.10.06.09-1).
<b>Spouse Only Groups</b>	Spouse-only groups are not eligible for coverage. An employer must have one common-law employee (who cannot be a spouse) who works at least 30 hours a week.
<b>Termination by MHC-SB</b>	MHC-SB may terminate a group for any of the following reasons: <ul style="list-style-type: none"> <li>• Fraud or intentionally furnishing incorrect or incomplete information.</li> <li>• Unmet participation requirements or other offering guideline requirements.</li> <li>• Non-payment of premium</li> <li>• Non-acceptance of agreements/amendments.</li> </ul>
<b>Waiting Periods</b>	Waiting periods are determined and monitored by the employer and must comply with applicable federal and state laws, including the Maryland Insurance Code. MHC-SB does not monitor waiting periods.
<b>Waiving Waiting Periods</b>	At the employer's discretion, waiting periods can be waived for <i>initial</i> enrollment for new hires and rehired employees.
<b>Discontinued Reference Plan</b>	If an employer's reference plan is no longer available at renewal, MHC-SB will suggest a new reference plan. The employer must either renew into the suggested new plan or select a new reference plan. The contribution rate applied to the new reference plan will remain as the previous employer contribution rate selected.

<b>Discontinued Insurance Carrier</b>	If an insurance carrier that a group is enrolled with no longer participates with MHC-SB, the employer will be promoted to select a new plan among available carriers at renewal.
---------------------------------------	---

## Employee Eligibility:

Topic	Guideline
<b>Eligible Dependent(s)</b>	Employers that wish to offer dependent coverage may do so for the following qualified dependent(s): Spouse Domestic Partner Children (including adopted children, foster children, or those under legal guardianship) Disabled Adult Children (regardless of age)
<b>Dependent Children Age Max</b>	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 at the employer's discretion either the 1st day of the month following their 26th birthday or the end of the year after turning 26. Enrolled dependents eligible for qualifying events under the cessation of dependency for a child are eligible for Federal COBRA benefits to continue coverage they had under the parent's plan for up to 3 years.
<b>Maximum Premiums for Dependents</b>	When billing for monthly premiums or generating group quotes, a maximum of 3 dependents under the age of 21 will incur a premium in either a single or two-parent family. Example: employee John Smith enrolls himself and his 6 dependent children, 4 of the children are under the age of 21, and 2 are over the age of 21. Applying the maximum premium for dependents rule to his premiums, John would only be invoiced for himself, 3 of his children under the age of 21, and both of his children over the age of 21, the 4th dependent under the age of 21 would not be invoiced.
<b>Families that Work for the Same Company</b>	Family members who work for the same employer may enroll as a subscriber with dependents or separately, at their discretion. All eligibility requirements still apply.
<b>Ineligible Employees</b>	Employees who are not eligible for coverage in MHC-SB include: <ul style="list-style-type: none"> <li>1099 employees</li> </ul>

	<ul style="list-style-type: none"> <li>• Seasonal employees</li> <li>• Temporary employees</li> </ul> <p>Employers will need to provide all eligible employees who will be enrolled in coverage. MHC-SB systems will not check for employee eligibility.</p>
<b>Maximum Enrollee Age</b>	There is no maximum enrollee age for a subscriber; however, there is a maximum enrollee age for a dependent child, which is under age 26. The maximum enrollee age does not apply to disabled children.
<b>Plan Selection Options for Employees and Dependents</b>	Employees of a group may enroll in any plan the employer offers. However, dependents of employees must be enrolled in the same plan.
<b>Premium Rates - Initial Group Enrollment and Renewal</b>	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.
<b>Retiree Coverage</b>	Retiree coverage is not offered.
<b>Employee's Discontinued plans</b>	At renewal, if an employee's plan is discontinued, the employee will be passively renewed to a similar plan offered by the same Health Plan Carrier and within the same metal tier. If the same Health Plan Carrier is not available with MHC-SB, the employee must actively enroll in a plan with a different Health Plan Carrier as allowed per the employer's benefit package model selected.
<b>Special Enrollment Periods</b>	After initial enrollment, plan changes are not permitted. Employees who have a qualifying event that triggers a Special Enrollment Period can make plan changes.
<b>Valid Waiver</b>	<p>Employees hold valid waivers if they have:</p> <ul style="list-style-type: none"> <li>• Waiving due to other coverage through another person's job,</li> <li>• Waiving due to other coverage from other private group health plans such as SHOP coverage from another State or the Federal Marketplace.</li> <li>• Waiving due to Individual Market coverage, including the individual marketplace.</li> <li>• Waiving due to governmental coverage such as Medicaid, MCHP, Medicare, or Tricare</li> </ul>



## Billing & Payment:

Topic	Guideline					
Payment	Initial and ongoing payments must be the total amount due to MHC-SB. For new business enrollment, membership is not effectuated until the initial payment is received and processed. Each premium payment is due prior to the month of coverage and must be postmarked by the last day of the invoicing month.					
Payment Grace Period	<p>A 31-day grace period applies to all payments except for the initial binder payment. MHC-SB may terminate your group coverage if payment is not made before the end of the grace period.</p> <p>Groups that are terminated for non-payment must pay all premiums owed. If the invoice total amount due is not received by the end of the grace period, the employer will be notified that coverage will terminate at the end of the grace period.</p> <p>The participating employer is responsible for notifying employees if coverage lapses. A period of 31 days will be allowed for payment of any premium due after the initial premium. The employer will be notified of the grace period and effective date of termination.</p>					
Payment Threshold Policy	MHC-SB has a payment tolerance policy of 95%. This means MHC-SB will not terminate a group policy that's paid 95% of the outstanding balance. The remaining amount will be balanced forward to the next month's invoice and is expected to be paid in full, along with the total invoice amount for the current month's premiums due.					
Payment Options for Monthly Invoices	<div><div><div><div>1. Online – Pay directly through your MHC-SB employer account using your bank information.</div><div>2. Check, cashier's check, or money order – Mail your payment to the address on your billing statement.</div><div>3. Guest Pay (No Login Needed) – Use the QR code found on your billing statement to make a secure payment without logging in.</div></div></div><table><tr><td><b>Online (ACH)</b>  Go to: www.marylandhealthconnection.com/smallbusiness</td><td><b>Guest Pay (No Login Needed)</b>  -Scan the QR code on your billing statement</td><td><b>Mail Payment to:</b>  <b>Maryland Health Connection for Small Business</b> PO Box 783787 Philadelphia, PA</td></tr></table></div>			<b>Online (ACH)</b>  Go to: www.marylandhealthconnection.com/smallbusiness	<b>Guest Pay (No Login Needed)</b>  -Scan the QR code on your billing statement	<b>Mail Payment to:</b>  <b>Maryland Health Connection for Small Business</b> PO Box 783787 Philadelphia, PA
<b>Online (ACH)</b>  Go to: www.marylandhealthconnection.com/smallbusiness	<b>Guest Pay (No Login Needed)</b>  -Scan the QR code on your billing statement	<b>Mail Payment to:</b>  <b>Maryland Health Connection for Small Business</b> PO Box 783787 Philadelphia, PA				



	<div> <div> -Click on Billing   -Enter the payment amount or choose Account Balance   Enter:   -Name on the account  -Bank routing number  -Bank account number </div> <div> -Make a quick payment without logging into your account </div> <div> 19178-3787   <b>OR</b>   <b>Overnight Payment to:</b>   <b>Maryland Health Connection for Small Business</b>  Lockbox Services  783787  2005 Market Street,  5th Floor  Philadelphia, PA  19103-7042 </div> </div>
<b>Rate Verification</b>	For new group enrollment, the final rates will be reflected on the first payment invoice.
<b>Refunds</b>	Unapplied cash at the employer's discretion can either be refunded to the group using the same method it was received or applied to future invoices.
<b>Reinstatements for Coverage After Notice of Coverage Cancellation</b>	Groups terminated due to non-payment may request reinstatement of their coverage within 30 days of the termination's effective date, provided they offer a valid reason for the termination. All past-due payments must be settled before reinstatement is processed. A group is eligible for three reinstatements within 12 months, calculated from the original effective date or most recent renewal date, whichever is later.

## Dental & Vision Products:

Topic	Guideline
	<p>Standalone Dental and Vision plans are not offered on MHC-SB.</p> <p><b><i>Note: Many of the Private Health Plans offer pediatric dental benefits as part of their health plan coverage. For more information, please refer to the health plan's Summary of Benefits and Coverage (SBC) or the Explanation of Coverage (EOC).</i></b></p>

**[www.MarylandHealthConnection.com/SmallBusiness](http://www.MarylandHealthConnection.com/SmallBusiness) |  
877-MD-SM-BIZ | [mhc.smallbiz@maryland.gov](mailto:mhc.smallbiz@maryland.gov)**