

Pacific Health Trust

Health Net Health Plan of Oregon Underwriting Guidelines

Contract Period: August 1, 2010 through December 31, 2011

Group Eligibility:

- Group must be a member of Pacific Health Trust of Washington and have a minimum of 2 enrolled employees (employees working at least 20 hours/week).
 - Group must have been in business with a valid business license for a minimum of 60 days.
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Renewal:

- 90 day advanced notice
 - Association anniversary date is August 1
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Rolling Renewal:

- 12-month contracts begin on each group's effective date.
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Minimum Contribution and Participation:

- Employer must contribute at least 75% toward the cost of employee coverage and at least 75% of eligible employees must enroll, or 50% toward the cost of both employee coverage and dependent coverage.
 - The employer is not required to contribute towards the cost of dependent coverage. However, 50% of eligible dependents must enroll.
 - Employees with other group coverage will not be counted against participation as long as that coverage is through a spouse or registered domestic partner.
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Late Enrollees:

- Employees not enrolling when first eligible will have to wait until the next open enrollment period or qualifying event.
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Probationary Period:

- Newly Eligible Employees: First day of the month following 0, 30, 60, 90, or 180 days from date of hire.
 - Newly Eligible Hour Bank Employees: First of the month following 130, 260, or 390 hours.
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Pre-Existing Waiting:

- 6 month look-back for 3 month pre-existing condition waiting period. Credit for time served under prior carrier's contract where a lapse of no more than 90 days has occurred between coverage.
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Open Enrollment:

- The month prior to each group's anniversary.
 - Allow covered members to change plan when more than one plan is offered by the employer.
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Continuation of Benefits:

- COBRA is available according to Federal guidelines.
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Final Rates:

- All sold groups will be reviewed by underwriting. Final rates depend on actual enrollment.
 - If any of the underwriting guidelines are not met, coverage will be declined.
 - An individual health statement questionnaire will be used on all groups.
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State Medical Reform:

- We reserve the right to change the premium rates and any other provisions of this Agreement effective at renewal on at least **90** days written notice before the renewal to the Subscriber Group. **The notice requirement does not apply to normal and customary administrative changes that do not have an actuarial impact, such as formulary changes, or to a decrease or increase required by state or federal law.**
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Medicare:

- Health Net is considered primary and Medicare is secondary on all association groups.

Dependent Coverage:

- Dependents are covered to age 26 regardless of student status per the new health insurance reforms.

Domestic Partner Coverage:

- Coverage is available to all groups at no additional charge. However, coverage must be elected by group at point of sale or at renewal. A registered domestic partner is treated the same as a married spouse with regards to coverage.

24 Hour Coverage:

- The cost for owners/officers, excluded from Workers Compensation Coverage, is included in the medical plan. The owners first and last name must be listed on the master application for 24 hour coverage to be in effect.

Out-of-Area Employees:

- Groups with more than 30% of their employees residing outside of the Health Net service area must be approved by underwriting and may be subject to higher rate levels to offset out of service area costs. Please include ZIP codes for all employees.
- Employees in Washington (outside of SW Washington and Oregon) will use First Choice network. All other states will use First Health network.

Dual Choice Option:

- Groups with 20 or more enrolling (or groups with current dual options) may offer two medical plans to their employees as a dual choice (minimum of 3 employees per plan) or by class or location.
- The rate spread between both PPO plans must not be greater than 15% with the RX plan included. Exceptions may be made with underwriting approval.

RFP Restrictions:

- Quotes for groups any size cannot be issued to the same agent from both Pacific Health Trust and Health Net direct or another of our associations. You will only receive one quote based on the first RFP received.
- All existing Health Net groups (direct or through an association plan) may only enroll with Pacific Health Trust of Washington on the association's renewal date and will be subject to Health Net underwriting review and approval prior to enrolling.

Medical Riders:

- RX enrollment must match medical enrollment.

Other Carriers:

- Health Net will be sole carrier.
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