

2023 Small Group eligibility guidelines

For an employer group to qualify as an Anthem Blue Cross (Anthem) Small Group client for 2023, they must meet the guidelines below.

- A group must employ one to 100 employees with more than 50% employed in the state of California (see out-of-state requirements below).
- A group must be a person, firm, proprietary or nonprofit corporation, partnership, public agency, or guaranteed association. The employer must be actively engaged in business or service.
- A group must have and maintain business licensure and/or appropriate state filings allowing the company to conduct business in California.
- Owner-only groups must employ at least one W-2 employee who is not the spouse or domestic partner of the owner or partner.

Out-of-state requirements

- No more than 49% of the group's eligible employees may be out of state.

Employee eligibility

To be eligible, employees must:

- Be permanent employees who are actively employed on a full-time basis, with a normal work week of 30 hours per week over the course of a month, and have met any statutorily authorized applicable orientation/waiting period requirements.
- Be permanent part-time employees who work at least 20 hours, but no more than 29 hours, if:
 1. They meet the definition of an eligible employee (above) except for the number of hours worked.
 2. The employer offers the employees' health coverage under a health benefit plan.
 3. All similarly situated individuals/employees are offered coverage under the health benefit plan.
 4. The employee worked at least 20 hours per normal work week for at least 50% of the weeks in the previous calendar quarter.

All four of the above requirements must be met for part-time employees to be eligible.

Employee ineligibility

The following are not eligible to be Small Group clients:

- Owners on their own or with their spouse/domestic partners, officers, or partners.
- Carve-out groups.
- Employer groups with less than 51% of employees employed in California.
- Seasonal, temporary, and substitute employees, defined as employees hired with a planned future termination date.
- Contract employees compensated on a 1099 basis.
- Sole proprietors, spouses of sole proprietors, partners of a partnership, and the spouses of those partners.
- Employees that do not reside within the 48 contiguous states, Alaska, Puerto Rico, or United States Virgin Islands.
- Residents of Hawaii (Anthem benefits may not match the requirements of the Prepaid Health Care Act).

Contribution

Employers may choose their preferred approach for contributing to employee medical premiums. Payroll deduction is required, if contributory. See below for the contribution options:

Medical

- **Traditional** – Minimum employer contribution of 50% of each employee's monthly premium
- **Fixed-dollar** – Any fixed-dollar amount \$100 or greater (in \$5 increments) for each covered employee's monthly premium
- **Percentage and plan** – Minimum employer contribution of 50% toward a specific plan, chosen by the employer

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Life

- **Basic life** – Minimum employer contribution (not including dependent coverage) is 25% for contributory plans and 100% for noncontributory plans. Payroll deduction is required, if contributory.
- **Optional life** – 100% employee paid; payroll deduction required.
- **Voluntary life** – 100% employee paid; payroll deduction required.

Disability

- **Short-term disability** – Minimum employer contribution (not including dependent coverage) is 25% for contributory plans and 100% for noncontributory plans. Payroll deduction is required, if contributory.
- **Voluntary short-term disability** – 100% employee paid; payroll deduction required.
- **Long-term disability** – Minimum employer contribution (not including dependent coverage) is 25% for contributory plans and 100% for noncontributory plans. Payroll deduction is required, if contributory.
- **Voluntary long-term disability** – 100% employee paid; payroll deduction required.

Participation

Medical group participation requirements:

Groups with 1 to 14 eligible employees	70%
Groups with 15 or more eligible employees	50%

Minimum participation is 100%, if noncontributory.

During the annual open enrollment period of November 15 to December 15, participation and contribution requirements will not be enforced. The effective date will be January 1 of the following year.

Valid waivers

The following are considered valid waivers, subject to receipt of an Anthem waiver form and proof of other coverage:

- Employer-sponsored group coverage through another employer
- Medi-Cal
- Medicare
- United States military coverage
- Individual waiver on and off exchange

Submission

- Groups requesting 1st of the month effective date: All paperwork must be submitted by the 5th working day of the month for which coverage is to be effective.
- Groups requesting 15th of the month effective date: All paperwork must be submitted by the 12th calendar day of the month for which coverage is to be effective.

Rating

Medical rates are guaranteed for 12 months.

Rating policy:

- Rates are based on actual enrollment.
- The rate for a family is based on the combined ages of the employee, spouse, all dependents 21 and older, and up to the three eldest dependents 20 or younger.
- The premium is determined by the employer's principal business zip code.
- Dental, vision, and life products require SIC code to determine the rate.
- Dental and vision require the number of eligible employees to determine the rate.
- Medicare primary and secondary rates are the same.

