2027 Underwriting Guidelines & Assumptions

Aerospace Industry Health Trust
Agriculture Industry Health Trust
Business Services Industry Health Trust
Community Service Org Industry Health Trust
Healthcare Industry Health Trust
Information Technology Industry Health Trust
Media Industry Health Trust
Retail Industry Health Trust
Tourism Industry Health Trust
Transportation Industry Health Trust
Wholesaling Industry Health Trust
Business Health Trust (BHT)

Group Eligibility

1) All companies must be an active, dues-paying member of a BHT Membership Partner Organization to obtain or renew coverage through BHT. Proposals issued to qualified prospective groups are released on the condition that membership will be secured by the prospective group prior to the insurance placement with BHT. Proof of membership is required. Refusal to renew membership will lead to not being eligible for renewal going forward.

2) In order to process new group or renewal documents, the Association Partner (Chamber) Membership must be verified and noted on the GMA. Additionally, the producer must maintain membership with one of the Association Partners.

3) An enrolling group must be headquartered or have a clearly defined licensed division in the Kaiser Permanente Washington service area. Independent healthcare purchasing decisions must be made for any clearly defined licensed divisions in Washington State. In addition, there must be at least one person with contract signing authority residing in the Washington State service area. If the headquarters are outside Washington State, then no employees residing outside the service area are eligible for coverage.

4) The Kaiser Permanente Washington Service Area includes all counties in the State of Washington with the exception of Adams, Chelan, Clark, Cowlitz, Douglas, Ferry, Garfield, Grant, Jefferson, Okanogan, Pacific, Pend Oreille, Skamania, and Wahkiakum counties.

5) An enrolling group must have at least 90% of its enrolling employees in the Kaiser Permanente Washington service area and no more than 10% out of the service area.

6) An enrolling group *will* be allowed to have 20% of its enrolling employees outside the Kaiser Permanente Washington service area *if* it has at least 80% of employees in the Kaiser Permanente Core Service Area. The Kaiser Permanente Core Service Area includes the following Washington State counties: King, Snohomish, Pierce, Thurston, Kitsap, and Spokane.

7) “Commonly owned” is defined as one individual or one entity owning at least 51% of all related employer groups. Commonly owned groups with their own tax ID numbers will be rated independently and each group will be subject to the terms and conditions of the underwriting guidelines.

8) The minimum new group enrollment size is 2 enrolled employees. Each plan offered must have 2 enrolled employees at minimum.

9) All selected product offerings must have the same anniversary date. Additional lines of coverage can be added off-anniversary however these policies will renew on one common renewal date.

10) In the event of the termination of any of the Industry Health Trusts with Kaiser Permanente by either party, whether at the end of the contract period as stated above or before, all individual member groups of the Trust will also terminate at the same time as the Trust.

Employee Eligibility

1) An eligible employee must be permanent, full-time and work a minimum of 20 hours per week. Seasonal, temporary, part-time (working under required minimum hours to receive benefits) or contracted employees are excluded. Employees who choose not to enroll themselves or their dependents when initially eligible must wait until the next open enrollment unless a qualifying event occurs. A member group can only make changes to their eligibility hours or probationary period during their renewal period.

2) Spouse/Domestic Partner:
When both spouses/domestic partners of the same family are employed by the same employer and meet the definition of an eligible employee, one spouse/domestic partner may waive coverage by completing a waiver form and be covered as the dependent of the other spouse/domestic partner. Should the primary member/insured terminate employment, the remaining spouse/domestic partner may enroll as the primary member/insured by requesting a change in status. NOTE: If the spouse/domestic partner is an owner, partner or corporate officer of the group who meets the definitions of an eligible employee, the spouse/domestic partner can only enroll as a subscriber.

   Dependent Child:
   If a covered dependent begins working for the same company as the subscriber and qualifies as an eligible employee, that person must be covered as an employee.

3) Commissioned salespeople and independent contractors whose earnings are reported on IRS form 1099 are not considered eligible employees. Eligible employees must be reported on the company's regular payroll and appear on their quarterly report of wages filed with the Washington State Employment Security Department.

4) For supplemental life and/or voluntary life, guarantee issue amounts are only available to new employees within the first 31 days of eligibility.

5) BHT administers common eligibility between all lines of coverage. Dependent eligibility must flow through the enrolled subscriber (employee). To clarify, if a spouse (or domestic partner if applicable) or dependents are to be covered, their coverage must be identical to the subscriber's (employee's) coverage.

6) Retirees, including early retirees, are not eligible for coverage unless otherwise specified.

7) Group eligibility policies may vary by employer. BHT only requires the employer to meet the minimum eligibility qualifications.

8) Recertification by the medical carrier is required on any disabled or handicapped dependent child(ren) over 26 years of age.

9) Employee Classifications:
   (1) Proposals are based on only one classification of employees and one probationary period for all employees unless otherwise clearly specified in the Request for Proposal.
   (2) Participating employers with less than 10 employees are not eligible for multiple classifications and/or terms of eligibility (probationary periods, employer contribution levels, or weekly hours).
   (3) Class definition for multiple employee classifications must not discriminate against current or prospective employees or dependents on the basis of race, color, gender, religion, national origin, age, disability, sexual orientation or any other legally protected characteristics, preclude individual selection by the employer or the employees and be approved by BHT.

(4) Optional Coverage may not be classed out.

Additional Guidelines and Assumptions

1) The company must contribute a minimum of 50% towards the employee premium. For non-contributory products such as basic life/AD&D, the employer must pay 100% of the employee premium.

2) For employer sponsored medical, dental, or vision plans, a minimum of 75% of all eligible employees must participate within each member group. Employee waivers will be required. Qualified reasons for waiving coverage are coverage under another group medical plan, Medicare, Medicaid or Religious beliefs.

3) If the employer contributes 100% of the employee medical premium, then 100% of the eligible employees must enroll with the exception of employees who have a qualified reason for waiver.

4) Minimum participation requirements do not apply to voluntary Dental, Vision, and Personal Accident plans.

5) The minimum group size to offer bundled employer sponsored medical, life/AD&D, dental, EAP, ID Theft, or vision plans is two enrolling employees. Other employer sponsored plans may be added assuming the minimum enrollment of five enrolled employees.

6) A minimum of $15,000 basic life/AD&D coverage is compulsory and is included with all medical products.

7) The EAP plan is compulsory when a medical plan is selected and included in the medical plan pricing. The EAP plan is not available on a stand-alone basis.

8) Rates will be guaranteed for date specific term of the contract period regardless of the group's original effective date. Any enrollment change of 10% in any single month or 25% in any three consecutive months, or if COBRA enrollment exceeds 10% of the total membership may result in a re-rate by the carrier. This assumes there are no regulatory or related legislative changes that affect the benefits provided.

9) Groups of 2-4 enrolling employees may select one plan, an HMO or Access PPO plan.

10) Groups of 5-9 enrolling employees may select up to two medical plans within Kaiser Permanente's product offerings, as long as one of those is an HMO plan. If only one plan is offered, it can be an HMO or Access PPO plan.

11) Groups of ten or more eligible employees enrolling may select up to three medical plans within Kaiser Permanente's product offerings, as long as one of those is an HMO plan (including a Virtual Plus HMO plan). Please see the Multi Choice Matrix for available plan combinations.

12) All groups of 10 or more must offer an HMO plan.

13) Virtual Plus HMO plans are only available in the following Washington counties: King; Thurston; Kitsap; Pierce; Snohomish; Spokane.

14) Virtual Plus plans must be paired with another plan (Core, Access PPO, or KP Plus) when offered. Virtual Plus plans are not available on a stand-alone basis for medical.

15) When a Virtual Plus is offered as the core plan, with the HMO plan added to accommodate out of area enrollment, the minimum 2 enrollment requirement will be waived for the HMO out of area plan.

16) Proposed rates assume that none of the deductible, coinsurance or co-payments will be self-insured by the company, except those specifically identified as such.

17) Requests for proposals are due by the 10th of the month prior to the requested effective date. A copy of either a Letter of Authorization (Search Letter) or Producer of Record Letter may be requested from each producer in a multiple producer quoting scenario. New business paperwork is due the 15th of the month prior to the effective date

(except for January 1st new business which are due by the 10th of December.)

18) BHT reserves the right to adjust rates for a new member group if any information varies from the original proposal. BHT reserves the right to decline coverage if the group does not meet all the established underwriting guidelines.

19) Subscription charges (premium payments) are due on or before the first day of each month with a 10 day grace period before penalties are imposed for late payment. If payment becomes 30 days in arrears from the date subscription charges are due, the employer's coverage with BHT will be terminated.

20) Released proposals are illustrations, not contracts. The rates and benefits are for general information and discussion purposes only and not valid unless approved by the Trust and contacted carriers. The proposed rates are not a guarantee of coverage. BHT reserves the right to modify rates in the event the plan design must be modified as a result of any change, modification or clarification in law, including the Patient Protection and Affordable Care Act. If coverage is applied for and accepted, actual rates may vary depending on exact enrollment, final plan benefits, locations, effective date and other possible adjustments. Final rates are determined based on final enrollment details.

21) The proposal is contingent upon the condition that Kaiser Permanente is the only carrier of medical coverage offered.

22) All plans are considered non-grandfathered plans.

23) Members under a newly sold group can receive deducible credit only if they were actively enrolled in the same employer's sponsored health plan at the time of the transition to KPWA BHT IHT. Kaiser does not credit if the member was covered on a different employer's sponsored health plan, had coverage through their spouse's employer sponsored health plan, were enrolled under COBRA under a different employer, had individual coverage, etc.

24) Individual coverage does not qualify for any deductible or OOPM credit.

25) Kaiser does not provide accumulator reporting for groups leaving KPWA under their large group association health plans. This includes BHT Industry Health Trusts. They also do not provide accumulator reporting for small groups under 50 total eligibles.

Health Savings Account (HSA) Underwriting Assumptions

1) All underwriting assumptions previously noted, unless specifically superseded by the underwriting assumptions within this section, are applicable.

2) The employer may fund up to 100% of the deductible.

3) The rates do not include any transaction and/or administrative fees charged directly by the HSA administrator.

4) Rollover funds combined with HSA contributions cannot exceed federal limits.

Additional Life/AD&D and Disability Underwriting Assumptions

1) Voluntary life coverage is available to groups of five or more employees. Participation requirement of 20% or greater will be assessed after the benefits have been placed for one year and will be calculated based on the number of employees electing this benefit.

2) Members may not enroll in Voluntary life coverage only; they must also be enrolled in basic life coverage.

3) For Long Term Disability (LTD) is available upon request and with employee salary detail.

This is a general overview of the Underwriting Guidelines for the Business Health Trust. Should there be any discrepancy, the contract between the Business Health Trust and the insurance carriers will be the determining underwriting document.