

2025 Small group fully insured underwriting guidelines

Groups 1-100 FTE employees

About These Guidelines

This document is intended for brokers and is for informational purposes only. These guidelines are not all-inclusive and other policies and guidelines may apply. The guidelines do not replace the Colorado Division of Insurance (DOI) regulations but provide more definitive information regarding certain DOI regulations. Kaiser Permanente reserves the right to amend the guidelines as regulations and policies change.

New for 2025

- Plus plans
 - Out-of-network pharmacy coverage increased to 12 prescriptions per year
 - Out-of-area benefit for dependents up to age 26 will annually cover up to:
 - 10 office visits
 - 10 therapy visits (combined physical, occupational, speech therapies)
 - 10 diagnostic x-rays
 - 12 prescription drug fills
 - 12 diabetic supplies
 - 3 tier POS plans
 - Hospital inpatient and outpatient services, skilled nursing facility, and outpatient surgery will no longer be covered in the non-participating provider (Tier 3)
 - No new plans
 - No discontinued plans
-

1099 Contracted Employees

- 1099 contracted employees are eligible for group coverage as long as they meet all qualifying criteria:
 - 1099 Verification Form
 - Employment contract
 - 1099 Misc. form
 - W-9 form
 - Most recent paystub
 - The state requires a small group employer to have at least one W-2 employee (who is not the spouse, common-law spouse, or domestic partner of the partnership or Sole proprietor) working 30 hours per week (owners and partners are not employees), for the group to offer coverage to 1099 contractors. (See *Proof of Business* section.)
 - 1099 contractors do not count toward the group size as they are not considered employees of the group.
 - There is not a maximum percentage of enrollment for 1099 contractors.
-

Accumulation Crossover (formerly known as Deductible Credit)

Accumulation crossover (or crossover credit) applies to deductible, out-of-pocket maximum, and limits (that is, visit limits or day limits) for like plans. Pharmacy deductible is included in this policy. Accumulation crossover happens when a group's renewal date is not the same as their accumulation date. The most common example is when a group renews July 1 of each year, but their accumulations start on January 1 of each year.

**Affiliated Companies
(Businesses with
Multiple Tax IDs)**

Business entities that are affiliated and eligible to file a combined tax return for purposes of state taxation will be considered one employer (even if filing separately or have a new/separate tax ID number) for purposes of determining group size. The following documentation can be used to show affiliation:

- Employer Application employer eligibility question

If a company isn't eligible to file a combined tax return, they'll be written as a separate customer. Kaiser Permanente will make the final determination of whether there's one responsible employer and may require additional documentation in order to do so.

**Approvals for New Sold
Group Submission**

The Small Group Application must be date-stamped by Sales with date of receipt. The group enrollment package must include the following items and must be received by the fifth business day of the effective month. Cutoff dates for supporting documentation is the 10th business day of the effective month.

The Small Business Group Application must be completed. ALL fields are required, such as SIC Code, NAICS Code, County, Hours Worked Per Week, and Date of Hire.

Underwriting/Sales are unable to make any changes to the Small Business Group Application. If changes/revisions are needed (for example, effective date change or plan change), the new page(s) will be requested from the broker/group. As an alternative, communication from the broker (such as a fax or email) can be attached to the original documents. (Missing signatures and date will require a new page be sent.)

New group enrollment checklist

Once plans have been selected, refer to this enrollment checklist to keep track of everything for a smooth submission process.

For assistance or to request the most current census form, call 1-866-331-2091. Type or print neatly using black ink, ensuring the completion of all fields on each form.

- 1. Employer application - Completed and signed by authorized company signer.
- 2. Employee enrollment - Completed and signed by each eligible employee/owner applying for coverage. Employers and employees keep a copy for their records.
- 3. Census form to be completed by the employer or company representative.
- 4. Proof of new address if different than listed on the group application.
Examples that can be submitted are:
 - a. Articles of Incorporation, Articles of Organization, LLC papers, Partnership Agreements
 - b. Tax or Federal/IRS-related documents
 - c. The application for Federal Employer Identification Number (EIN)
 - d. Utility bill that shows business name and address
 - e. Water bill that shows business name and address
 - f. Most recent UITR

(continued on next page)

Approvals for New Sold Group Submission
(continued from previous page)

Employers **must complete and keep** the Declination of Coverage form listing all eligible and declining employees for their records. **Kaiser Permanente reserves the right to ask for additional documentation.** Refer to the Proof of Business section for additional details.

Brokers: Email group submission (items 1-4) to CO-SBU-Sales-New@kp.org.

Turnaround Time (TAT) will begin when all required documents are received in Underwriting.

If missing documentation is not received within 30 days of email notification, group file will be sent back to Sales marked as declined.

Associations MEWA Trusts

A completed *Colorado Associations Checklist* form with the required supporting documents must be included per the instructions in the form.

Co-Existing Alongside Other Carriers

Kaiser Permanente allows small employer groups (1-100 employees) to offer our coverage alongside another carrier's coverage in Colorado only if that other coverage is a fully insured, ACA-compliant small group health plan. The other carrier must match the same rating methodology that Kaiser Permanente uses, either age-rated or composite rates. If the employer has employees residing outside of Colorado, in a non-Kaiser Permanente region, then level-funded or self-funded plans may be permitted for those employees. A minimum of 5 employees must be enrolled in the Kaiser Permanente plan.

Composite Rating Structure

Effective January 1, 2016, 4-tier composite rates became available to all small group employers. Composite rating is based upon the member level rating methodology and utilizes a balancing adjustment for renewals to account for enrollment in more than one benefit plan. This adjustment is applied to create premium equivalency with age-banded premiums.

Continuation of Coverage/COBRA

- Continuation/COBRA enrollees are included in the total premium calculation.
 - These enrollees are not included in the eligible count, but are counted as members.
 - They are excluded from the full-time equivalent (FTE) calculation because they are not active employees.
 - A small employer carrier in Colorado cannot limit coverage for any "eligible enrollee" (or their dependents) in regard to continuation of coverage laws that would prohibit limiting the number of enrollees/dependents on this basis.
-

Contract Anniversary Date Changes

Contract anniversary date changes are considered on an exception basis. We will require the following information to be provided for review:

- Written request detailing the need for the change
 - Number of employees that could enroll because of the new open enrollment
-

Court-Ordered Coverage

Kaiser Permanente will cover any dependent where the court has ordered that coverage be provided for a dependent under a covered employee's health benefit plan and the request for enrollment is made within 30 days after issuance of such court order. The subscriber must currently be enrolled with Kaiser Permanente before adding any court-ordered coverage. (The dependent must reside in one of our designated service areas.)

**Deductible and
Out-of-Pocket Maximum
(OPM) Takeover**

Kaiser Permanente does credit expenses incurred under a group's prior coverage with another carrier toward the Kaiser Permanente deductible and OPM. A Deductible/Out-of-Pocket Maximum Takeover form must be completed by the employee and submitted with a copy of the latest Explanation of Benefits (EOB) issued by their prior carrier. Submission of this completed form and EOB is required within 90 days of the group's effective date with Kaiser Permanente.

Dependents

The following persons may be eligible to enroll as a Dependent:

- Subscriber's spouse (including a partner in a valid civil union under state law).
- Subscriber's or subscriber's spouse's children (including adopted children, children placed for adoption, and foster children) who are under the Dependent limiting age.
- Other dependent persons who meet all of the following requirements:
 - They are under the Dependent limiting age; and
 - Subscriber or subscriber's spouse is the court-appointed permanent legal guardian (or was before the person reached age 18).
- Subscriber or subscriber's spouse's unmarried children over the Dependent limiting age who are medically certified as disabled and dependent upon the subscriber or the subscriber's spouse are eligible to enroll or continue coverage as Dependents if the following requirements are met:
 - They are dependent on the subscriber or the subscriber's spouse; and
 - Proof of the Dependent's disability and dependency is provided annually if requested.
- Subscriber's designated beneficiary prescribed by Colorado law, if employer elects to cover designated beneficiaries as dependents.

The Dependent limiting age is the end of the plan year in which age 26 is reached. A Dependent child will continue to be eligible until the Dependent child reaches this age if they continue to meet all other eligibility requirements.

**Dependent
Qualifying Event**

If a subscriber is enrolled with single coverage (elected not to enroll existing dependents) and the subscriber acquires a new dependent through birth, marriage, or adoption, that subscriber may add the newly acquired dependent. The Enrollment Change form must be submitted to Kaiser Permanente's Consolidated Service Center within 31 days of the qualifying event.

Civil union:

Colorado passed the Civil Union (CU) Act, SB13-011, which requires plans that offer dependent coverage to cover civil union partners as dependents.

The Colorado Division of Insurance has advised that, with respect to underwriting or claim handling, carriers cannot impose requirements to prove a civil union that are more stringent than requirements to prove marriage. Legal has advised that this restriction applies to eligibility and enrollment as well. Therefore, we cannot ask for any more documentation to enroll a CU partner than we do for a married couple.

**Effective Dates/
Cutoff Dates**

New business approvals

Effective date must be on the first of the month. All new small group applications must be received by Kaiser Permanente by the fifth business day of the effective month. Cutoff dates for supporting documentation is the 10th business day of the effective month.

- If submission is received after the respective due date, the effective date of the group will be the first of the month following the initial requested effective date.

Renewal changes

The change request must be submitted to Kaiser Permanente no later than the last business day within the group's renewal effective month.

Embedded Dental

Embedded pediatric dental is included in all plans (including Colorado Option plans), except for PPO plans and Tiers 2 and 3 of point-of-service (POS) plans.

An adult preventive dental benefit is embedded in all Kaiser Permanente small group traditional health HMO, deductible HMO (DHMO), high deductible health plan (HDHP), and Tier 1 of the POS plans. It is not included in PPO plans or Colorado Option plans. The benefit covers 2 exams and 2 cleanings per year, with a \$30 copay per visit (\$15 per exam, \$15 per cleaning). The plan also covers dependents over the age of 19.

Employee Eligibility

The ACA requires that, for plan years beginning on or after January 1, 2014, a group health plan or health insurance issuer offering group health insurance coverage shall not apply any waiting period that exceeds 90 days from the date of eligibility.

- Kaiser Permanente will allow an employer group to enroll an employee working at least 24 hours per week. The state requires a small group employer to have at least one W-2 employee working 30 hours per week (owners and partners are not employees). Eligibility requirements are the responsibility of the employer to administer.
- Termed employees who are rehired will be treated as new employees unless the group sets up specific rules for rehires at initial enrollment or open enrollment (no mid-contract requests will be approved).
- Total number of active employee applications and waivers must equal the number of eligible employees listed on the group application.
- If an employer hires someone under the age of 18 and deems him/her eligible, they will be included in the health plan.

Eligible employee means:

A full-time employee in a bona fide employer-employee relationship with an employer that has not been established for the purpose of obtaining a small group plan.

(continued on next page)

Employee Eligibility

(continued from previous page)

An eligible employee does not include:

- An employee who works on a temporary, substitute basis.
- An individual and his or her spouse or partner in a civil union with respect to a trade or business, whether incorporated or unincorporated, that is wholly owned by the individual.
- An individual and his or her spouse or partner in a civil union.
- A partner in a partnership and his or her spouse or partner in a civil union with respect to the partnership; except that a partner and his or her spouse or partner in a civil union may participate in a small group plan established to cover one or more eligible employees of the partnership who are not partners in the partnership.
- Notwithstanding any provision of law to the contrary, an eligible employee of a small employer who could also be considered a dependent of the small employer must receive taxable income from the small employer in an amount equivalent to minimum wage for working full time on a permanent basis in order to be considered an employee of the small employer.
- Nothing in the C.R.S. 10-16-102 (2014) subsection (18) limits the employer's traditional ability to set valid and acceptable standards for employee eligibility based on the terms and conditions of employment, including a minimum weekly work requirement in excess of 30 hours and eligibility based upon salaried versus hourly workers and management versus nonmanagement employees.
- All employees applying for insurance must meet group's new-hire policy, unless group submits an eligibility waiver during new group enrollment.

Employee Leasing Company (PEO)

Professional employer organization (PEO) rate loads are not applied to small group rates.

Below are 2 scenarios relating to employee leasing companies (aka PEOs):

Scenario 1: Employees employed by a PEO to manage or administer the business.

To determine eligibility of these employees, a group needs to identify employees who are eligible and those who are "leased" or temporary employees who are not eligible.

- Unemployment Insurance Tax Report (UITR) or payroll records identifying those employees will need to be submitted by the group to show the employer/employee relationship in determining employees' eligibility. Payroll records must show the business name, pay periods with taxes being withheld, with year-to-date total wages for each employee.
- A completed Colorado Associations Checklist form with the required supporting documents included per the instructions in the form.

Scenario 2: A business that employs individuals from a PEO.

To determine employee eligibility of these employees, a group needs to submit:

- Quarterly payroll records (for example, PEO's payroll)
- A completed Colorado Associations Checklist form with the required supporting documents included per the instructions in the form

Employer Contribution

Kaiser Permanente requires that the employer financially contribute toward the plan participants' premium; however, we do not require a specific dollar amount or percentage.

Employer Eligibility Effective January 1, 2016, “small employer” means any person, firm, corporation, partnership, or association that:

- (i) Is actively engaged in business;
- (ii) Employed an average of at least one but not more than 100 eligible employees on business days during the immediately preceding calendar year, except as provided in paragraph (e) subsection (61) (Colorado Revised Statutes C.R.S 10-16-102); and
- (iii) Was not formed primarily for the purpose of purchasing insurance.
- (iv) For purposes of determining whether an employer is a “small employer,” the number of eligible employees is calculated using the method set forth in 26 U.S.C. sec. 4980h (c) (2) (E). (Colorado Revised Statutes C.R.S. 10-16-102)

Employers On-Exchange Kaiser Permanente will be the only carrier participating on-exchange (Small Business Health Options Program or SHOP) in 2025. As a result, the administration of new or renewing groups will be managed by Kaiser Permanente. Effective March 1, 2018, all new or renewing groups will complete the application process to include the co-branded Group Master Application and Colorado Department of Regulatory Agencies (DORA) Employee Application(s) or an employee spreadsheet to include all enrolling employees and dependents.

Full-Time Equivalent Full-time equivalent employee calculation (see Internal Revenue Tax Code 4980H). A full-time equivalent employee is a unit of measurement that equals 30 hours per week. A small employer must have at least one W-2 employee who works a minimum of 30 hours per week. Remaining employees must work at least 24 hours per week to be eligible for coverage.

Full-time equivalent employee = Total hours worked is 1,560 (30 hours x 52 weeks)

Total Hours Worked = Sum of (not to exceed 1,560 per employee per year, which is 30 hours per week)

Example:

5 employees work 30 hours per week = 30 hours x 5 employees x 52 weeks = 7,800

6 employees work 24 hours per week = 24 hours x 6 employees x 52 weeks = 7,488

7,800 + 7,488 = 15,288

15,288/1,560 = 9.8 FTE (rounded down to the next lowest whole number, which is 9 FTEs)

Part-timers are included. Part-time employee hours can be combined to equal 30 hours to equal one FTE.

Example:

40 employees working 30 hours per week + 22 employees working 15 hours per week = 51 full-time equivalent employees

Seasonal employees are included if they have worked for more than 120 days during the tax year. COBRA enrollees are not active employees and are excluded from the calculation. Ineligible employees are active employees and are therefore included in this calculation. Owners are not included as an employee in the calculation. The hours worked are calculated by the employer as average hours worked for the year.

**Kaiser Permanente
Select Plans**

KP Select is a product for Colorado Springs employees only, with a narrow provider network. KP Select plans have a specific prescription drug benefit tied to each respective benefit plan. KP Select rates are lower than the full network plans for the same rating/county. There is a corresponding KP Select set of rates for each of the 4 distinct market service areas outside of Colorado Springs. If an employer group has a full network plan in Denver/Boulder, Northern Colorado, and Pueblo and a corresponding KP Select plan in Colorado Springs, this counts as one plan. Live/work is not a provision allowable in the KP Select offering. An employer may pair KP Select plans with POS plans for their employees who reside in the defined Colorado Springs service area. An employer may also offer KP Select alongside a full network plan as a dual choice offering for their Colorado Springs employees.

Live or Work

Live or Work is an Eligibility Provision:

Amended Regulation 4-6-8 Section 5 (A)(2) states:

A small employer carrier shall offer to provide coverage to each eligible employee and to each dependent of an eligible employee. For managed care plans, an employee must either work or reside in the carrier's service area to be considered an eligible employee, except as provided in § C.R.S 10-16-704(2)(g), 4-6-8 Section 5 (A)(2).

- Employees living in Wyoming but working in the Northern Colorado service area can be considered as live/work.

Kaiser Permanente Small Group "Group Agreement" states:

- The small employer group's business must be located inside health plan's service area to be eligible to participate in a KPCO plan; and
- That all health plan subscribers live or work inside the health plan's service area upon enrollment.

Kaiser Permanente Small Group "Evidence of Coverage" states:

On the first day of membership, the subscriber must live or work in our service area.

- If an employee does not reside in any KPCO service area, the employee will be placed in the service area of the employer group's primary physical location unless the group is offering an OOA PPO plan or the employer requests to change the service area to place them in a service area closer to their residence.

Kaiser Permanente Administrative Policy for Live or Work provisions:

- Subscribers may not choose their service area.
 - Subscribers will be placed in the service area closest to their residence, unless the employer designates otherwise.
-

Medicare

To enroll in Medicare Senior Advantage, employees (or dependents) must be enrolled in both Part A and Part B of Medicare. If an employee or dependent chooses to retain group-level benefits, Medicare will be the primary payer for groups of 19 or fewer. A Medicare application must be completed with a copy of their Medicare card showing they have both Parts A and B.

- For working-age Senior Advantage members, in groups with 20 or more employees on payroll, Medicare is the secondary payer. These Senior Advantage members will be charged the commercial rate and not the Senior Advantage rate.
- Groups with Medicare members who are retired (65 or older) can be covered under Medicare Senior Advantage if the group has a written policy in place that includes the same contribution level as the group plan and is available to all employees. (Early retiree coverage not available.)
- Senior Advantage members and their families are enrolled in commercial subgroup(s).
- Medicare members are rated on the service area in which they reside, which could be different than that of the employer's primary physical location.

Member Level Rating Age Bands

Effective January 1, 2014, the ACA defined new standards for small group rates. Rates are based at the member level using community rating by class. Rates may vary based on the following factors:

- Geographic area (county)
- Age limited to a ratio of 3 to 1 for adults (the highest age band cannot be more than 3 times that of the lowest age band rate)
- 3 uniformed age bands:
 - Child age bands – a single age band from age 0 to 14
 - Adult age bands – one-year age bands from age 25 to 63
 - Older adults – a single age band for age 64 and older
- Kaiser Permanente does not rate based on tobacco usage
- Members are rated using their age as of the date of the policy contract date, regardless of when the member joins the policy

Merger and Acquisitions

New groups

When 2 companies merge and are acting as a single enterprise, they must submit:

- A Kaiser Permanente Group Attestation Form
- A letter (on company letterhead) from the enrolling company explaining the situation or copies of purchase/ownership documentation

Scenario: Companies A and B combine to form one company

When a company is acquired and both companies are active, they must submit:

- Kaiser Permanente Group Attestation Form
- A letter (on company letterhead) from the enrolling company explaining the situation or copies of purchase/ownership documentation

Renewing groups

- On anniversary or mid-contract, a group may add a merged or acquired company to their contract by providing copies of purchase/ownership documentation or a letter on company letterhead describing the change being requested, a completed Kaiser Permanente Census for rating, if applicable, and a completed Kaiser Permanente Group Attestation Form.
- The group must notify Kaiser Permanente within 31 days to be considered a qualifying event, allowing employees to be added.
- The burden of proof is on the group to provide appropriate paperwork to Underwriting to request a merger or acquisition.

Multi-Market

If the group has employees in another Kaiser Permanente service area (California, Georgia, Hawaii, Maryland, Oregon, Virginia, Washington, and the District of Columbia), we may be able to offer local HMO plan options to those employees.

- Separate contracts and billings are issued for each market.
 - Each market is rated separately.
-

**Multi-Sites and
Multi-State Groups**

ACA rating is based upon the employer's primary business location.

Requirements for multi-state groups

- All groups must have a physical business location within the KPCO service area. If the group has multiple locations within Colorado, rating is based on the group's primary business location.
- There must be eligible Colorado employees with at least one who wishes to enroll.
- The total number of employees, nationwide, must still be 100 or less.

Special provisions are allowed for any out-of-state Small Group employer wanting to enroll employees that reside in one of our service areas in Colorado, and there is no work location in Colorado. We can now approve and rate based upon the following:

1. Workman's Compensation documents – if there is a local address included.
If not available, then use 2.
2. Use the address of the Colorado resident agent for the business available through the Colorado Secretary of State web site.
If not available, then use 3.
3. Use the address of the most senior employee in Colorado defined by the group.

NEA

The nonelective abortion (NEA) plan options are available in the Gold 500/25, Silver 5000/10, and Silver 3300/30/HSA plans, which exclude nonelective abortions.

Out-of-Area (OOA)

Out-of-area (OOA) occurs when an employee of an employer with a primary business location within the KPCO service area does not reside within the KPCO service area. Employees who wish to enroll must be either live/work or be enrolled in an OOA plan. It is up to the employer to decide which to use for employees who live within the state of Colorado if the live/work provision is available. All employees who reside out of state must be in an OOA plan.

**Out-of-Area (OOA) PPO
Plan**

Adding an OOA PPO Plan for the First Time

Age banded and composite rules:

New members being added or existing members transferring to the OOA PPO: An OOA PPO plan can be added to a group's contract without impact to the current contract anniversary.

Data Requirements to Request a Quote

Group PPO rates are included in pre-renewal packets for all groups and a separate quote is not issued. Rates are not recalculated until the group's next pre-renewal packets are generated.

Data Requirements to Add an OOA PPO Plan for the First Time

- Group number, group name, contract effective date, and member effective date
- Enrollment application(s) if new membership is enrolling for the first time
- Subgroup number

The contract effective date must be the current anniversary date if the member is being added mid-contract. **Example:** Group has a renewal date of 1/1/2025; the OOA member's effective date is 3/1/2025. The contract effective date to add the OOA PPO will be 1/1/2025 to match the group's current contract.

Owner and Spouse Effective January 1, 2014, owner and spouse (without any W-2 employees) are no longer eligible for ACA group health insurance plans, as they no longer meet the definition of “group” under the ACA. No exceptions.

Ownership Change A new owner who purchases a group currently enrolled in a Kaiser Permanente plan and wishes to continue coverage must provide the following:

- Purchase agreement (bill of sale)
- Articles of incorporation/organization
- Proof of employment (payroll records, W-4) for all new employees to be added

If the nature of business has changed, the group must provide:

- A New Group Application meeting all new group requirements

Participation Minimum participation is no longer required. The group understands that the employer group is responsible for managing their own participation requirement.

Plans/Products Sold Small groups with 1-5 subscribers can choose 4 HMO, DHMO, HSA, and Plus plans, plus one POS or PPO plan. Small groups with 6 or more subscribers can choose unlimited HMO, DHMO, HSA, and Plus plans, and 2 POS/PPO plans with enrollment required in each plan. Dependents are not considered as subscribers in determining the number of plans available to the employer.

Groups can add plans on their contract anniversary up to the maximum allowed if there is enrollment in the new plans. Groups may request to add a plan up to the maximum allowed when adding new employees who wish to enroll in the new plan.

COBRA enrollees are continued on either the current plan or the replacement plan chosen by the employer. They are not considered as a subscriber in determining the number of plans available to the employer.

Medicare Senior Advantage enrollees are enrolled in a plan that is selected by the employer and available to all employees. They are not considered as a subscriber in determining the number of plans available to the employer.

Premium Calculation The total premium calculated using the composite methodology or the age-banded rates should be identical.

Professional Employer Organization (PEO) Professional employer organizations may be underwritten as small groups if they meet the requirements of the small group definition.

In addition, small businesses with co-employed or leased employees may also offer coverage to their co-employed or lease staff on the basis of the co-employment relationship.

Proof of Business

We strive to make your enrollment process seamless. Kaiser Permanente staff will conduct state and local online searches to verify that a prospective customer is an active, legitimate small business eligible for small group coverage and that the owner, officer, or partner is actively engaged in the business and eligible for coverage. If the online search is unsuccessful, we may ask for the most current documents in the categories below; otherwise, the group may not be approved for coverage.

Existing groups are periodically required to recertify to ensure business and ownership requirements are still being satisfied. As regulations, policies, and industry practices evolve, existing groups may be held to new standards. Kaiser Permanente will perform internal checks to confirm the business structure prior to processing the group for renewal.

Kaiser Permanente reserves the right to request additional documentation at its sole discretion. If requested, submit the most current documents to avoid processing delays. See below for documents associated with different ownership types.

Quarterly Wage & Tax, Unemployment Insurance Report of Workers' Wages (UITR)	Most recent UITR satisfies both proof of business and employee(s)
Payroll/Payroll Records	Payroll records must show the business name, pay periods, taxes being withheld with year-to-date total wages for each employee
C Corporation	Tax Form 1120 and appropriate schedule or supporting payroll records, Personal Tax Form of Officers (1040) or most recent UITR
Tax Form 941 Quarterly Federal Tax Form	Tax Form 941 is proof of business; must have supporting payroll records
S Corporation	Form 1120 S and appropriate schedule (K-1) or supporting payroll records or most recent UITR
Partnership	Form 1065 and K-1s or supporting payroll; most recent UITR for employees (must have at least one W-2 employee who is not the spouse, common-law spouse, or domestic partner of the partnership)
Sole Proprietorship	Form 1040, Schedule C & SE: UITR with at least one W-2 employee who is not the spouse, common law spouse, or domestic partner of the sole proprietor (Kaiser Permanente does not accept extensions), Misc. 1099
Limited Liability Company (LLC) (LLP)	C Corporation or Partnership form(s): Personal Tax Form (1040) Schedules with most recent UITR <i>(continued on next page)</i>

2025 Small group fully insured underwriting guidelines
Groups 1-100 FTE employees

Proof of Business <i>(continued from previous page)</i>	Acquisitions	<ul style="list-style-type: none"> • A letter on company letterhead explaining the situation • Applications/waivers for the acquired employees • Wages and Tax form for the acquired company • Proof of ownership
	Farm	Schedule F: Most recent UTR must have at least one W-2 employee who is not the spouse, common law spouse, or domestic partner of the owner
	Trust	Form 1041

Rate Quotes for Prospective Clients

A small employer may receive a price quote, directly or through an authorized producer/broker.

- Final rates are based on final enrollment and member level or 4-tier composite rating.
- A price quote shall be provided without requiring verification of the eligibility of the small group. The fact that a price quote has been issued shall not, however, prevent the small employer carrier from verifying the group’s eligibility before issuing said coverage.

Rate Type Change Requests

Rate type change requests must occur within the month that the group is sold or renewed. This is a change between age banded and composite rate types.

Rating Areas

A rating area determines which set of rates to use as derived from the county of the employer’s primary business location.

Listed below are the counties we are filed with the state of Colorado where we provide service.

Rating Area 1	Boulder
Rating Area 2	El Paso, Teller
Rating Area 3	Adams, Arapahoe, Broomfield, Clear Creek, Denver, Douglas, Elbert, Gilpin, Jefferson, Park
Rating Area 4	Larimer
Rating Area 6	Weld
Rating Area 7	Pueblo
Rating Area 8	Fremont

Reinstatement

For groups where Kaiser Permanente coverage was terminated for less than 60 days, they may request reinstatement of their prior contract to avoid a gap in coverage. Kaiser Permanente will consider this request provided unpaid premiums are paid and the group qualifies for small group coverage.

Relocation

- If the group moves outside of Colorado, the group is no longer eligible for small group coverage in Colorado.
 - If an employer group (not employees) relocates to a new rating area, the employer must submit legal documents showing the new primary physical business address location, which will be the same address they use to file with the state of Colorado or new business license. If approved, new rates will be generated with a new 12-month contract.
-

Renewals

For renewing business, a completed Employer Plan Selection form should be returned to Kaiser Permanente no later than 45 days prior to the group's renewal date.

ACA-Compliant Benefit Plan

Groups enrolled in ACA-Compliant Benefit Plan(s):

- Groups may change to a different ACA plan by submitting changes in PARQ or completing Employer Plan Selection Form 45 days prior to the group's renewal date.
 - If the renewal paperwork is not received prior to the renewal date, the group's contract will be automatically renewed with their current plan and eligibility.
 - Any current small group that has grown to more than 100 FTE employees can renew in small group.
-

Seasonal Employees

To be considered as eligible, they:

- Must have a contract to return to work the following year (for example, teachers).
- Must work a minimum of 24 or more hours per week on a permanent basis, if there is at least one W-2 employee working 30 hours per week.

Seasonal employees who work more than 120 days during the tax year are included in the FTE calculation to determine small or large group.

Service Area

A service area is where the member seeks medical services.

Kaiser Permanente's service area covers all the following 17 counties: Adams, Arapahoe, Boulder, Broomfield, Clear Creek, Denver, Douglas, Elbert, El Paso, Fremont, Gilpin, Jefferson, Larimer, Park, Pueblo, Teller, and Weld.

Special Open Enrollment for New Group Submissions

Employer groups that do not meet the minimum participation or contribution guidelines have a special open enrollment that takes place November 15 through December 15 (with a January 1 of the following year effective date only).

Split-Off Groups/ Spinoff Groups

Split-off and spinoff groups must enroll as a "new group" and will be subject to the new group process.

- Show proof of address with new company's name such as a lease agreement, state of Colorado document, or a utility bill.
-

Startup Business

In the case of an employer that was not in existence throughout the preceding calendar quarter, the determination of whether the employer is a small employer is based on the average number of employees that the employer is reasonably expected to employ on business days in the current calendar year. C.R.S. 10-16-102 (2014)

Qualifiers for startup business: Date the employer was actively engaged in business is used as the start date for the business.

New startup businesses are required to submit the necessary new group documents. See the Approvals for New Sold Group Submission section of this document.

A company that has been in business for less than one year, including sole proprietorships, must have at least one W-2 employee working 30 hours per week in order to qualify as small group. See the Employee Eligibility section.

Valid Group per Amended Regulation 4-2-39

Valid group means, for the purposes of this regulation, a group of persons who qualify for group sickness and accident insurance as found at §§ 10-16-214(1) and 10-16-215, C.R.S. All groups must meet the qualifications as valid groups. Non-employer groups, including, but not limited to, associations, trusts, unions, and organizations eligible for group life insurance shall be submitted to the Colorado Division of Insurance for approval. Groups formed for the purpose of insurance are prohibited under Colorado law. Multi-state associations must also meet the requirements under § 10-16-214(1), C.R.S. Bona fide associations must meet the requirements under § 10-16-102(6), C.R.S. Trusts must meet the requirements under § 10-7-201, C.R.S., and must be formed by one or more employers or by one or more labor unions, or by one or more employers and one or more labor unions. Union agreements must also be submitted to the Division.

Waiting Period

For new group submissions, the initial waiting period for enrolling employees may be waived upon the company's acknowledgment that the effective date of coverage for new employees and their eligible family dependents won't exceed the waiting period established by the company.

- The group understands that the employer group is responsible for managing their date-of-hire waiting period.
 - Effective January 1, 2014, per ACA regulation, a group health plan or health insurance issuer offering group health insurance coverage shall not apply any waiting period that exceeds 90 days from the date of eligibility.
-

Waivers

Waivers need to be completed for all eligible employees, spouses, or dependents of all employees if waiving coverage. Waivers must include a reason why they are declining coverage.

- All waivers need to be signed and dated by the employee.
 - Waivers are not needed for spouses and dependents of employees who are waiving coverage.
 - The group understands that the employer group is responsible for managing their waivers and saving them on their end for audit purposes.
-

Groups 1-100 FTE employees

Wellness

Most Kaiser Permanente small group health plans include an employee wellness incentive to reward employees who complete specific health/wellness screenings and activities with a \$150 reward card. All subscribers 18 or over are eligible to participate in the program. The wellness incentive program is not included in PPO plans. For 3-tier POS plans, it is available only if the required screenings are received from an in-network provider (tier 1 POS) or participating provider (tier 2 POS).

**Zero Members or
No Enrollment**

Groups with no enrolled members will not be issued a pre-renewal packet. If there are no employees in the waiting period, the contract will not be renewed.
