Large Group Underwriting Guidelines for RI New Business

The proposal reflects rates and benefits that are in compliance with the Affordable Care Act (ACA).

The rates are effective through the end of the proposed effective date month and assume and/or are contingent upon the following:

The ability of Tufts Health Plan to issue a proposal is subject to a complete and accurate submission in the form requested by Tufts Health Plan.

If Tufts Health Plan determines that any of the information has been omitted, concealed, or misrepresented any fact which Tufts Health Plan determines to have had an effect on Tufts Health Plan's assessment of the risk, Tufts Health Plan reserves the right to re-underwrite the proposal including resetting premium rates.

If any of these contingencies are not satisfied, rates may be adjusted or to the extent legally permissible, coverage may be declined.

General:

The rates assume total replacement of current plan(s).

The rates are based on the description of the group and its benefits plan at the time of this proposal, and are subject to review and possible revision if there are significant changes in the group or plan prior to or on the proposed effective date, or subscriber enrollment changes by +/- 10% during the plan year.

The employer must use the same rate basis type options (tiers) for all health plans offered under the employer's group health benefit plans.

The rates may change due to a change in commissions or change in effective date.

The Group must be domiciled or headquartered in Rhode Island; and a majority of their employees must physically work in Rhode Island; or

Tufts Health Plan products can be offered to a Group not domiciled nor headquartered in Rhode Island provided:

(a) The company has more than 50 full time and full time equivalent employees nationally, and;
(b) The company has a work site location in Rhode Island.
(c) Coverage is limited to those employees that work in Rhode Island and their eligible dependents

Exceptions to these requirements must be approved by Tufts Health Plan underwriting.

When offering Dual or Multi Option plan designs, the PPO plan(s) cannot be richer than the HMO plan

Differential co-payments for primary care providers and specialists are not available on CareLink or OOA PPO plans.

Group agrees to provide Tufts Health Plan confirmation of final benefits 30 business days in advance of Group's open enrollment period. This advance notice is required to provide Tufts Health Plan sufficient time to generate Group specific benefit documents required to be available during open enrollment.

Eligibility

Large groups are defined as businesses that are actively engaged in business with a Rhode Island worksite that:

- have more than 50 full time and full time equivalent employees, or
- do not meet the Rhode Island definition of Small Group.

An eligible employee is an employee who is entitled under the group's written eligibility policies (or as otherwise required by law) to participate in the group's health benefits program, is a bona fide employee of the group and regularly employed on a permanent, full-time basis working at least 20 hours per week (or as few as 17.5 hours a week at the employer's discretion, provided this lesser requirement is applied consistently to all employees in the group).

The employer must clearly define all eligible classes in a non-discriminatory manner.

Unless Tufts Health Plan waives these contingencies in writing, a group must have a minimum participation of 75% of full-time net eligible and employer contributions of at least 50% toward Individual coverage and 33% toward Family coverage. Failure to meet the participation and contribution requirements may result in rate adjustments.

Service Area

All employees who enroll in the Tufts Health Plan HMO must live, reside, or physically work within the Tufts Health Plan provider service area.

Any employees, who do not live, reside, or physically work within Tufts Health Plan's provider service area will only be enrolled on our PPO Plan.

If **CareLink:** Covered services received in Massachusetts and Rhode Island are covered at the in-network level by the Tufts Health Plan CareLink network. Covered services received outside Massachusetts and Rhode Island are covered at the in-network level by the CIGNA CareLink network. (Note: The CIGNA CareLink network is the United States [the 50 states]).

If **PPO (non CareLink):** All employees who live reside, or physically work in the Tufts Health Plan provider service area are covered at the in-network level by the Tufts Health Plan network. Employees, who live, reside, or physically work outside the Tufts Health Plan provider service area are covered at the in-network level by a network provided by one or more third parties.

If **PPO OOA Only**: Only those employees who live, reside, or physically work outside the Tufts Health Plan provider service area may join the OOA PPO and must access the PPO network.

Funding of the Deductible

Rates assume no more than 50% funding of the employee/family deductible costs in an HRA or HSA.

For deductible plans without an HRA or HSA, the employee will be financially responsible for the funding of the entire deductible amount.

Plan Combinations

All dual or multi option plan pairings are subject to possible risk selection adjustments.

Tiered Provider Network Specific Contingencies:

Lifespan Premier Choice is a tiered provider network product that must be offered as total replacement.

If Lifespan Premier Choice is Dual Option, the HMO and PPO must have the same tiered plan design.

The relative value pricing factor for Lifespan Premier Choice may be adjusted for actual account-specific factors such as utilization.

On a case-by-case basis, a non – tiered product may be offered alongside Lifespan Premier Choice.

Lifespan Premier Choice quotes assume no HRA will be offered. On request, underwriting will consider HRA's with the Lifespan Premier Choice benefit plan designs. In these cases, the maximum HRA contribution will be limited to no more than 50% of the tier 2 deductible values.

Regulatory Contingencies

Most Massachusetts residents must have coverage meeting Massachusetts Minimum Creditable Coverage ("MCC") requirements to avoid paying a tax penalty. For any plan in which the deductible exceeds $2000 for IND coverage and $4000 for FAM coverage, Tufts Health Plan requires an HRA fund of a sufficient amount to offset the deductible. The plan must have this HRA funding mechanism in order to meet MA MCC requirements. For example, if a plan has a deductible of $3000 for IND coverage and $6000 for FAM coverage, there must be an HRA fund of at least $1000 for IND coverage and $2000 for FAM coverage.

The rates may be changed due to changes in state mandated benefits or regulatory requirements that increases Tufts Health Plan's risk or financial obligations under the coverage.

The rates may change if there is a change in the interpretation of state or federal law that increases Tufts Health Plan's risk or financial obligations under the coverage.

The rates include the following ACA Fees for 2016*:

1.) Health Insurance Providers Fee: Estimated at .9-1.7% of premium

2.) PCORI Fee (formerly Comparative Effectiveness Research Fee): $.18 per member per month

3.) Reinsurance Assessment Fee: $2.25 per member per month

* The fees may be subject to change.