

EMPLOYER UPDATE | CALIFORNIA

Crossover guidelines for HMO and deductible plans

Sometimes business needs require employers to change their benefit coverage in the middle of an accumulation period. This can raise questions about whether or not employees' credits toward the deductible and out-of-pocket maximum (OOP maximum) cross over to the new plan. This guide clarifies when these credits transfer to the new plan and when they reset to zero. It applies to the following plan types:

- traditional HMO
- deductible HMO with HRA
- traditional HMO with coinsurance
- HSA-qualified deductible HMO
- deductible HMO

Resets in the middle of an accumulation period

Under normal circumstances, the deductible and OOP maximum reset to zero on a member's accumulation period start date. However, certain plan changes made at other times will also reset a member's deductible credits to zero when the new plan takes effect. When this happens, the OOP maximum will also reset to zero. Here are the three most common reasons why a member's credits would reset to zero:

- ▶ **A group's customer identification number changes** – for example, a company consolidates or is acquired, or it transfers to or from CaliforniaChoice® or Covered California's Small Business Health Options Program (SHOP).
- ▶ **A group switches from an HSA-qualified deductible HMO plan** to a traditional HMO, traditional HMO with coinsurance, deductible HMO, or deductible HMO with HRA (or vice versa).
- ▶ **A member moves to an individual plan** from a group plan (or vice versa).

Pharmacy deductible credits will always reset to zero except when moving from one HSA-qualified deductible HMO plan to another within the same region in California.



For more information and to get additional plan change scenarios, please contact your Kaiser Permanente representative.



Crossover scenarios for HMO plans

The following table highlights the four most common situations where a plan is changed in the middle of an accumulation period.

Do credits toward the deductible¹ and OOP maximum cross over to the new plan?

Scenarios	HMO ² to HMO	HMO ² to HSA-qualified plan ³ (or vice versa)	HSA-qualified plan ³ to HSA-qualified plan
Employer/employee changes plan mid-accumulation period	Yes	No	Yes
Employee moves from one California region to another with same employer	Yes ⁴	No	Yes ⁴
Employee changes employer	No	No	No
Individual plan member enrolls in a group plan	No	No	No

Last-quarter Carryover option for large groups

When employer groups switch from one Kaiser Permanente deductible HMO plan or deductible HMO with HRA plan to another, they may purchase an option to have the deductible and OOP maximum credits their employees accumulated during the last three months of the accumulation period apply toward the following accumulation period.⁵ This option is only available for employers with at least 51 benefits-eligible employees. It isn't available for existing employers transitioning from a calendar year accumulation period to a plan year accumulation period.

¹ Pharmacy deductible credits will always reset to zero except when moving from one HSA-qualified deductible HMO plan to another within the same region in California.

² HMO plans include our traditional HMO, traditional HMO with coinsurance, deductible HMO, and deductible HMO with HRA.

³ "HSA-qualified plan" refers to the HSA-qualified deductible HMO plan only.

⁴ Members must request that accumulation credits be applied to their new plan by calling the Member Service Contact Center at 800-390-3507.

⁵ Last-quarter Carryover option is not available to employers who switch to or from a traditional HMO, a traditional HMO with coinsurance, or an HSA-qualified plan.

Information may have changed since publication.