

Recertification Information

For businesses with 1 to 100 employees
Effective January 1, 2016

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For more information on policy and qualification guidelines for employers offering Kaiser Permanente small business coverage, visit kp.org/smallbusinessguidelines/ca.

California small group legal requirements include California Small Group Reform Act Assembly Bill (AB) 1672 (1992), amended by AB 1083 (2012) and set forth in the California Health and Safety Code commencing with Section 1357.

Recertifying your group simply means that we need to confirm that your group continues to meet the criteria to be defined as a small business by the state of California and is qualified for small group coverage with us. This process is required for every small group we cover to maintain health coverage as a small business.

In order for us to verify that your group continues to meet the small business criteria, you need to send us some documentation.

- 1 You need to show that your company meets the qualifications for small group coverage under the Affordable Care Act (ACA) and California small group legal requirements.** Your documentation should demonstrate that all your Kaiser Permanente health plan subscribers are either owners or employees, and that you have at least 1 “common law” employee (an employee with a W-2 who is not an owner, spouse, or domestic partner and is listed on your DE 9C) and no more than 100 full-time and full-time-equivalent employees who work an average of 30 hours per week.
 - Full-time employees are permanent employees actively engaged on a full-time basis in the conduct of business. They must have a normal workweek averaging 30 hours per week over the course of a month, work at your regular place of business, be subject to withholding on a W-2 form, and have met their waiting period, if applicable.
 - A full-time-equivalent (FTE) employee is a combination of employees, each of whom individually is not a full-time employee because they are not employed on average at least 30 hours per week, but who, in combination, are counted as the equivalent of a full-time employee.
- 2 You need to show that your company meets Kaiser Permanente’s minimum participation requirement.** This means that at least 70% of your eligible employees must be covered by group health coverage. An employee is considered covered by a group health plan if he or she is covered through his or her own or spouse’s employer, or through Medicare, COBRA, etc.

No need to worry. We’ve outlined all the forms you’ll need in the [recertification checklist](#), found on page 7.

Q: Why does my group need to recertify? Have I done something wrong?

A: Not at all. This is a normal part of maintaining your group's health coverage—something Kaiser Permanente must do to stay in compliance with state laws. All small business groups must be recertified periodically.

Q: What does recertification mean?

A: When you recertify, you are documenting that your group still meets the state of California's definition of a small business. Your group should have 1 to 100 employees, and at least 70% of your group's eligible employees must have some type of group health coverage. Recertifications are necessary to comply with California small group legal requirements.

Q. What is an eligible employee?

A: To be eligible as a *full-time* employee, a person is required to be a common-law permanent employee with a W-2, who is not a spouse or an owner, who is actively engaged and regularly scheduled on a full-time basis in the conduct of the business of the small business employer with a normal workweek averaging 30 hours through the small business employer's regular places of business, and is listed on the DE 9C.

To be eligible as a *part-time* employee, a person must be an active permanent employee who is actively engaged in the conduct of the business of the small business employer working at least 20 hours but not more than 29 hours per a normal workweek, at the employer's regular place of business.

Q: Is it mandatory for a group to participate in recertification?

A: If you would like to keep Kaiser Permanente coverage for your group, you must recertify. Otherwise, we will have to terminate coverage for your group.

Q: How will this affect my employees?

A: Your employees will only be affected if you don't provide the documentation for recertification. If you don't recertify, your group will lose its Kaiser Permanente health coverage. Otherwise, the recertification process won't affect your employees at all.

How to submit your recertification documents

Fax: 866-233-7847

Email: recert@kp.org

Mail: Small Business
Recertification Team
P.O. Box 7094
Pasadena, CA 91109-9641

Questions? We can help.
Call us at 877-490-4983.

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Q: What documentation do I need to recertify?

A: We've provided a list of documentation in the [recertification checklist](#), found on page 7 that could be used to validate your group's eligibility and participation. The checklist also includes links to download any additional forms you may need.

Q: How long will it take my group to be recertified?

A: The process generally only takes about a week. Once we receive your documentation, our recertification service associate has 5 business days to review the materials and either:

- contact your group to request additional documentation, or
- submit your documents to our Small Business Recertification Team

Once your documents have been submitted, you will receive written confirmation of your recertification within 5 to 7 business days.

Q: Which small business group employers need to recertify?

A: Any group may be required to recertify at any time. However, new groups enrolled within the last 12 months will go through certain scheduled recertifications:

- Groups with 5 or fewer members must recertify on the third renewal after 2 full renewals.
- Groups with 6 to 15 members must recertify on the fifth renewal after 4 full renewals.
- Groups with 16 or more members must recertify on the seventh renewal after 6 full renewals.

Q: What if my group is a new business?

A: We allow start-up businesses to enroll without meeting the 50% enrollment requirement (1 to 100 eligible employees averaging at least 30 hours a week for at least 50% of the previous quarter or calendar year).

However, in order to minimize the risk to both us and small groups and still allow start-up businesses to enroll, we will recertify these groups on their 1-year anniversaries.

For more information about employer eligibility, see our [Small Business Guidelines](#).

Q: What if an eligible employee doesn't want to sign up with Kaiser Permanente?

A: Have your employee fill out a [Declination of Coverage form](#).

Q: What might cause a group to be terminated?

A: Three possible reasons for group termination are:

- The group fails to meet Kaiser Permanente's [guidelines for a small business](#) or the state of California's definition of a small business included in California Small Group Reform Act (AB 1672), amended by AB 1083 (2012) and set forth in the California Health and Safety Code Section 1357, as well as the ACA definition of a small business.
- The group doesn't respond to our recertification request with all the necessary documentation by the deadline.
- Mail sent to the group is returned.

Q: If my group is terminated, will my group be able to re-enroll later?

A: Yes. If your group pays all past-due premiums and sends in any missing documentation within 60 days of termination, your group will be reinstated with no lapse in coverage. After 60 days, your group cannot be reinstated, but you may re-enroll through our sales team as a new group, as long as evidence of coverage has been received.

Q: What should I do if I feel my group has been terminated unfairly?

A: If you believe your group has been or will be improperly terminated, you have the right to file an appeal. Read more about [your appeal rights](#), on page 8.

Q: Are any groups exempt from the recertification process?

A: No. All groups we cover need to be recertified on a regular basis.

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Pasadena, CA 91109-9641

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Q: Is an owner-only or husband/wife business qualified for small group coverage?

A: Currently the definition of a small business employer is 1 to 100 employees. Under the ACA and California regulations, beginning January 1, 2014, to be eligible for small group coverage, small businesses must have at least 1 “common law” employee with a W-2 and listed on the employer’s DE 9C and who isn’t the owner or owner’s spouse (or domestic partner). As a result, the following will no longer be able to renew under a group plan:

- **Owner-only business** — This is a business that’s owned and operated by an individual and that has no common-law employee (an employee with a W-2 who is not an owner, spouse, or domestic partner and is listed on your DE 9C). Contracted employees (1099), seasonal and temporary employees, private household help, and domestic help are ineligible for coverage.
- **Husband/wife business** — This is a business that’s wholly owned and operated by 1 or both spouses and that has no common-law employees.

Q: If an employer believes they aren’t an owner-only business, how do they update their status to renew their small group coverage?

A: Employers who are undergoing the recertification process and feel that they do not fit the description of an owner-only or husband/wife business should contact our Recertification Team at **877-490-4983** or recert@kp.org. They will be able to provide general information and direct groups on what is necessary to renew their small group coverage.

Q: Can an employer renew if they’re under review for recertification?

A: No. An employer must complete the recertification process before the group can be renewed. If a group isn’t an owner-only business, they should contact our Recertification Team as soon as possible at **877-490-4983** or recert@kp.org.

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Questions? We can help.
Call us at **877-490-4983**.

The documentation you submit helps us verify that your group is active and eligible for small business coverage. Please make sure to complete and submit the pertinent documentation listed below before your recertification deadline.

Please note: Rates are based on the employer’s physical, authenticated address. An employer may not use a post office box, UPS store address, or other purchased address.

Recertification checklist

All small business groups must submit these items:

DE 9C (quarterly wage report)

Submit the most recent DE 9C, including the employee’s status (declining, not eligible, terminated, or having other group coverage). If the employee has other group coverage, please identify the name of the carrier.

You should also include payroll records for any employees hired after the DE 9C filing. You can get more [DE 9C forms](#) through the state of California’s website.

Business license

If necessary, you may submit an equivalent such as a fictitious business name statement.

Employer’s Confirmation of Workers’ Compensation form or the policy information sheet

Complete this form as proof of workers’ compensation status for all eligible employees in the group. (This does not include owner/partners.)

Declination of Coverage form

Submit this for all eligible subscribers who choose not to enroll in Kaiser Permanente and have individual coverage or group coverage.

Proprietor/Partner/Corporate Officer Eligibility Statement

Complete this for every proprietor/partner/corporate officer who is not listed on the DE 9C. A second document will be required for validation.

Other forms you may need and can be found at account.kp.org

- Employee Change
- Subscriber Termination
- Group Termination Request
- Contact Change Request
- Customer Address or Name Change Request
- Employee Enrollment

Your appeal rights

You have the right to file an appeal if you believe that your health plan enrollment has (or will be) improperly terminated.

To appeal our decision, please follow the process outlined below:

Requesting a review of our decision

- To file an appeal, please send us a letter explaining your position and provide proof of your compliance with the requirement(s). Mail your appeal letter to the following address:
Small Business Unit
Recertification Team
P.O. Box 7094
Pasadena, CA 91109-9641
You can also fax or email: fax **866-233-7847**, email recert@kp.org
- Please file your complaint as soon as you receive notice that your plan is being terminated.
- You will receive our decision within 30 days.

Please call us toll free at **877-490-4983** if you have any questions.

Appealing our decision to the California Department of Managed Health Care (DMHC)

You may also file an appeal with the DMHC if:

- You are not satisfied with our decision.
- You did not receive our decision within the 30-day time limit.

The DMHC may allow you to submit a complaint directly to the DMHC, even if you have not filed a complaint with your health plan, if the DMHC determines that your problem requires immediate review.

An optional DMHC complaint form is available at healthhelp.ca.gov.

Getting help with your appeal

If you need help with your appeal, please contact the DMHC Help Center, which offers assistance in many languages.

Help Center, DMHC
980 Ninth St., Suite 500
Sacramento, CA 95814-2725
888-466-2219 (toll free)
TDD: **877-688-9891**
Fax: **916-255-5241**
healthhelp.ca.gov

Continuation of coverage

If your coverage is in effect when you file your complaint, we must continue your coverage until the review process is complete (including DMHC review) unless your coverage is being terminated for failure to pay premiums or fraud. If your coverage is continued, you must continue to pay your premiums.

If your coverage has already ended when you file your appeal, we are not required to continue your coverage. However, if the DMHC decides in your favor, we will reinstate your coverage back to the date of the termination.

Kaiser Permanente Small Business Recertification Team

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Pasadena, CA 91109-9641

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Small Business
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