

Consortium FAQs

For members of the Nebraska
Health Care Association

For plans effective Jan. 1, 2021



NHCA Health Insurance Consortium

Questions and Answers

In conjunction with the Nebraska Health Care Association (NHCA), Blue Cross and Blue Shield of Nebraska (BCBSNE) is offering a variety of health care coverage options to the NHCA's groups and employees, effective Jan. 1, 2021. This coverage is called the NHCA Health Insurance Consortium plan (NHCAHIC plan). Throughout the plan development process, a number of questions have been received; they are addressed below.

What is the criteria to determine if a group is eligible for group coverage with BCBSNE?

There are certain eligibility requirements each group must meet in order to be eligible to participate in the NHCAHIC plan offered through BCBSNE. These include employer contribution requirements, employee participation requirements and employee eligibility requirements. The specifics of each of these requirements are described below. In addition, three examples are provided to illustrate situations where groups meet or do not meet eligibility and participation requirements. Examples 1 and 2 are scenarios where the group does meet the requirements and Example 3 is one where the group does not meet the requirement.

Employer Contribution Requirement – Groups must contribute a minimum of 50% of the single employee premium for all eligible employees within the group.

Participation Requirement – The minimum participation requirement is 50% of total eligible employees, and 75% of total eligible employees after considering valid waivers. See explanation and examples in the questions below.

Eligibility Requirement – Groups can set their eligibility requirements with regard to minimum required hours per week to be eligible for benefits between 17.5 and 30 hours per week.

› Example 1 – Group requirement is met.

Employee #1's spouse works enough hours to qualify as an eligible employee. Employee #2 is single. Married employee works full-time and has coverage under spouse's group policy from a different company. Office assistant works part-time but only works 15 hours per week and does not meet the minimum requirement.

	50% rule	75% rule
Employees	5	5
Eligible employees	4	4
Valid waivers	N/A	1
Eligible employees w/o waivers	N/A	3
Electing coverage	3	3
Percentage electing coverage	75%	100%

› Example 2 – Group requirement is met.

Employee #1's spouse works enough hours to qualify as an eligible employee. Employee #2 is single and qualifies for Medicare. Married employee works full-time and has coverage under spouse's group policy from a different company. Office assistant works part-time but only works 15 hours per week and does not meet the minimum requirement.

	50% rule	75% rule
Employees	5	5
Eligible employees	4	4
Valid waivers	N/A	2
Eligible employees w/o waivers	N/A	2
Electing coverage	2	2
Percentage electing coverage	50%	100%

› Example 3 – Group requirement not met.

	50% rule	75% rule
Employees	5	5
Eligible employees	4	4
Valid waivers	N/A	1
Eligible employees w/o waivers	N/A	3
Electing coverage	2	2
Percentage electing coverage	50%	67%

What is the definition of a valid waiver and what qualifies as one?

A valid waiver is the opportunity to opt out of a health plan by making a formal request under certain circumstances. Approved circumstances include coverage under another group policy, Medicare, Medicaid or TRICARE. Individual policies are not considered valid.

Does the plan require eligible employees to enroll in coverage in order for their dependents and spouses to obtain coverage?

Yes.

Who is the plan available to?

The plan is available to dues-paying members of the NHCA Health Insurance Consortium that are Nebraska domiciled employers providing health care services.

Are there limitations on pre-existing conditions?

There are no pre-existing condition limitations on the NHCA group health plan.

I am a sole proprietor. Can I be covered under this plan?

Not currently. However, if you have an employee working 17.5 or more hours per week, you are not considered a sole proprietor and are eligible for coverage as a two-person group.

Are 1099 employees allowed on the plan?

1099 employees are allowed on the plan as long as they do not make up more than 10% of the enrolled employees.

Independent contractors, i.e., 1099 employees, and seasonal employees are eligible to obtain coverage through a subgroup for which they are actively employed and only during the period they are actively employed. They must meet all other eligibility requirements to obtain coverage and will not count toward a subgroup's eligibility to participate in the NHCA.

If my group moves to the NHCA plan from our current insurance plan, will there be a gap in coverage or double coverage?

In order to ensure there is no gap in coverage or double coverage, cancellation of a current policy will need to take place the day before this policy goes into effect.

Who is considered an eligible employee?

BCBSNE's underwriting guidelines define eligible employees as all regular full-time and permanent part-time employees (not including seasonal or temporary employees), who are actively performing the duties of their principal occupation for the required hours per week. "Actively at work" requirements shall be applied in a manner consistent with HIPAA non-discrimination rules.

- › **Example for groups 2-49** – An eligible employee for coverage is defined as an employee actively performing duties for a minimum of 17.5 hours per week and no cap as a maximum.
- › **Example for groups 50+** – Groups may set the minimum work hour threshold to determine employee eligibility as low as 17.5 hours per week or as high as 30 hours per week.

We have an employee who currently has coverage with her spouse's plan. She may want NHCA coverage at a later date if the spouse retires early. Is that OK?

Yes, if an employee currently has coverage through his or her spouse, and subsequently loses coverage as a result of the spouse's retirement, that is considered a special enrollment period. That person could then enroll in the NHCAHIC plan at that time, provided his or her group is participating in the health plan. They will have 31 days to enroll in the coverage.

How do the rate tables work?

Based on the census information you provided, if your group has 20 or more enrolled members, or the online health application information completed by your employees if your group has less than 20 enrolled members, BCBSNE will assign your group to one of six rating tables (A – F) based on the risk score for your group.

As part of the annual November renewal of the NHCAHIC plan, two things will happen as they relate to the six rating tables (A – F).

Each group will be re-evaluated at renewal with the potential to remain in their currently assigned rate category, or to be moved up or down one rate category per year.

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BCBSNE will also review the overall health risk of each group with the potential to move groups up or down one rate table per year based on the overall health status of enrolled employees and dependents within each group. Limiting the group to one rate band up or down, will help stabilize the experience and rates for the NHCA Health Insurance Consortium plan, and the individual groups within the health plan. Again, this will only be done annually as part of the NHCAHIC plan renewal.

Once you complete and submit your health enrollment application to The Olson Group, each group will be reviewed by BCBSNE's Medical Underwriting team and placed into a rate table based on the overall health risk of the group.

Is enrolling the only way we can find out how much coverage costs? May we decline coverage after receiving our quote?

Your group may decline coverage after receiving your quote. You may consider enrolling at a future enrollment period, but an updated health enrollment application will be needed at that time.

Is the assigned rate band the same for the entire employer subgroup or does it depend on each enrollee?

The assigned rate band will be the same for the entire employer subgroup.

What are my plan and network options?

Groups with 2+ enrolled employees can select up to two medical plan options and any combination of our three network options.

Can employer and employee premiums be paid for with pretax dollars?

Typically, they can both pay for medical coverage through the NHCAHIC plan using pretax dollars. The NHCAHIC plan is a group health plan that qualifies for positive tax treatment. Employers should seek guidance from their own tax counsel on their specific terms.

Is more detailed information available on the plan options?

Yes, please contact The Olson Group at 402-289-1046 or email Travis Martin at tmartin@theolsongroup.net. They can send you a complete schedule of benefits for the plan(s) that interest you.

GET STARTED

Contact:

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