

Small Business Underwriting Guidelines Summary

for businesses with 2-50 eligible employees

These guidelines apply to Dental HMO, Dental Dual Choice, Stand Alone Dental PPO/Indemnity and Vision PPO plans. For quotes and assistance, please contact your PacifiCare Dental & Vision or PacifiCare of California Representative.

Employer Eligibility

- Minimum 2 and maximum 50 permanent eligible employees.
- 100% of the eligible employees must have Workers' Compensation coverage except those legally not required to be covered by Workers' Compensation.
- An employer must actively be engaged in business or service for at least 6 weeks of the preceding calendar quarter and have at least 2, but no more than 50 permanent, active, full-time employees during this period.
- Business must be located in PacifiCare Dental & Vision's licensed service area.
- Employer groups that have not offered group dental coverage within the last 60 days, are considered to be "Virgin Groups." Vanguard Indemnity and dental PPO coverage are not available to virgin groups.
- Carve outs will be allowed for unions only.

Employer Contribution

- Employer must contribute at least 50% toward the average employee only premium. If employer contribution is less than this amount, the group is considered to be voluntary. Vanguard Indemnity, dental PPO and vision PPO, are not currently available to voluntary groups.

Employer Eligibility Period

- The maximum eligibility period for new employee hires is 6 months.

- Only one eligibility period can be selected for management and non-management employee new hires. A different eligibility period can be selected for rehired employees.
- The eligibility period for a new employee hire will not be waived under any condition.
- The eligibility period can only be changed at open enrollment.

Dental HMO Participation

See Minimum Enrollment section below for minimum enrollment requirements by plan selections.

- For small groups of 2-50 eligible employees:
 - If contributory, minimum enrollment is the greater of 75% or at least 2 permanent eligible employees.
 - If 100% employer-paid, 100% of permanent eligible employees must enroll.
- PacifiCare Dental & Vision must be the group's only dental/vision carrier.

Minimum Enrollment

Dental HMO Only Minimum Enrollment

- A minimum enrollment of at least 2 employees is required on the 910, 920 and 930 dental HMO plans.

Dental Dual Choice Minimum Enrollment

- A minimum enrollment of at least 10 employees is required, with at least 5 enrolled on a dental PPO/Indemnity plan.
- Groups with more than 10% of permanent eligible employees residing out-of-area are not eligible.

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Dental PPO/Indemnity and Vision PPO Minimum Enrollment and Participation

- Stand alone dental PPO/Indemnity and Vision PPO plans are available to groups of 2 or more eligible employees.
- For groups of 2-4 employees, dental PPO/Indemnity and Vision PPO coverage is available only to groups that purchase PacifiCare medical coverage. 100% participation is required.
- For groups of 5 or more employees, the greater of 75% or 5 permanent eligible employees must enroll.

Major Services Waiting Period For Dental PPO and Indemnity

There is a 12-month waiting period for “Major” services. This waiting period will be waived for employees/dependents listed on the prior carrier’s billing at the time of transfer to a PacifiCare Dental & Vision indemnity or dental PPO plan. New hires may be subject to a 12-month waiting period for the indemnity and dental PPO plans.

Voluntary Dental Plans

Voluntary plans offered are the 910, 920, and 930 dental HMO, and the Indemnity Association Plans. To offer the Association plan, a group must have a minimum of 10 employees with a minimum of 5 enrolled on the Indemnity Association Plan. There is a 12-month wait for major services for any employees/dependents enrolling in the Indemnity Association plan. This waiting period will be waived for employees/dependents listed on the prior carrier’s billing at the time of transfer to a PacifiCare Dental & Vision’s Indemnity Association Plan. New hires are always subject to a 12-month waiting period. Vanguard Indemnity, dental PPO and vision PPO plans are not currently available to voluntary groups.

Employee Eligibility

- Permanent employees of a small employer group, who work at least thirty (30) hours per week.
- Permanent employees who work at least twenty (20) hours per week, but not more than twenty nine (29) hours per week are also deemed eligible employees if all of the following apply:
 - The employee otherwise meets the definition of an Eligible Employee except for the number of hours worked;
 - The employer offers employees health coverage under a health benefit plan;
 - All similarly situated individuals are offered coverage under the health benefit plan; and
 - The employee must have worked at least twenty (20) hours per normal workweek for at least fifty percent (50%) of the weeks in the previous calendar quarter.
- Employees who work less than twenty (20) hours per week are not eligible.
- Temporary, seasonal employees, or 1099 independent contractors are not eligible.
- Employees must permanently reside within PacifiCare Dental & Vision’s licensed service area in California in order to enroll in the PacifiCare dental HMO, dental PPO, or vision PPO plans.
- Employees are eligible to enroll during the open enrollment period and may only change plans during open enrollment.
- New employees must complete the waiting period designated by their employer prior to enrolling in their PacifiCare Dental & Vision plan. No exceptions will be made.

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- Employees declining coverage must sign the *Refusal of Employee and/or Dependent Coverage* form.
- A “Late Enrollee” is defined as an eligible employee or an eligible spouse or child who declines enrollment during the initial open enrollment period and who later requests enrollment.
- The following describes qualifying events under which an individual may be exempted from the definition of a “Late Enrollee.” Small employer groups are required to notify their eligible employees of their special enrollment rights related to the following qualifying events. The individual will not be considered a “Late Enrollee” if:
 - he/she is an eligible employee who previously declined coverage under an employer dental/vision benefit plan and subsequently acquired an eligible dependent through marriage, birth, adoption or placement for adoption, and enrolled for his/her own coverage for his/her dependent within 30 days following the specific event.
 - he/she previously declined coverage for himself/herself or his/her dependents because his/her dependents already had dental/vision coverage at the time enrollment was offered, and that his/her dependents subsequently lost or will lose coverage.
 - he/she or his/her dependents were covered under another employer dental/vision benefit plan at the time he/she or his/her dependents were eligible to enroll in PacifiCare Dental & Vision. He/she or his/her dependents were given the opportunity to, and certified in writing during an open enrollment period, that he/she had coverage under another employer dental/vision plan and subsequently has lost or will lose his/her coverage under the other employer dental/vision plan.
 - the small employer group offers multiple dental/vision benefit plans and he/she elected a different dental/vision benefit plan during an open enrollment period on his/her behalf and on behalf of his/her dependents.
 - a court has ordered that coverage be provided for a spouse or minor child under an Eligible Employee’s or Subscriber’s dental/vision plan.
 - PacifiCare Dental & Vision cannot produce a written statement from Group or Eligible Employee, stating that he/she, on behalf of himself/herself or his/her dependents signed an acknowledgement of a certification or coverage declination, as part of the PacifiCare Dental & Vision Application for Enrollment.
 - he/she or his/her dependents were under a COBRA Continuation provision and that coverage has been exhausted.
 - he/she or his/her dependents have lost or will lose their no share-of-cost Medi-Cal coverage.

The special open enrollment opportunity shall be requested by the employee not more than 30 days after the date of the qualifying events described above. Upon enrollment, coverage shall be effective not later than the first day of the first calendar month beginning after the date the request for enrollment is received.



Broker “Listening Line”

1-800-516-4680

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www.pacificare.com/dentalvision

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