

Consortium FAQs

For members of the Nebraska State Bar Association

For plans effective January 1, 2019



NSBA Health Insurance Consortium

Questions and Answers

In conjunction with the Nebraska State Bar Association (NSBA), Blue Cross and Blue Shield of Nebraska (BCBSNE) is offering a variety of health care coverage options to the NSBA's groups and employees, effective January 1, 2019. Throughout the plan development process, a number of questions have been received, which are addressed below.

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

NSBA is excited to make the new NSBA Health Insurance Consortium available to you! There are certain eligibility requirements each firm must meet in order to be eligible to participate in the NSBA AHP 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 firm.

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

Partner #1's spouse works enough hours to qualify as eligible employee. Partner #2 is single. Married paralegal 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		1
Eligible Employees w/o waivers		3
Electing Coverage	3	3
Percentage electing coverage	75%	100%

Example 2 – Group requirement is met

Partner #1's spouse works enough hours to qualify as eligible employee. Partner #2 is single and qualifies for Medicare. Married paralegal 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		2
Eligible Employees w/o waivers		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		1
Eligible Employees w/o waivers		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.

? **What are the eligibility requirements for dental coverage?**

In order to offer dental coverage, the group must also offer medical. It is available to groups with five or more employees enrolled in the medical plan.

The same eligibility, participation and employer requirements, participation requirements apply to dental as medical.

An employee can enroll in medical without dental, or dental without medical, as long as minimum participation requirements for both medical and dental are met.

➤ **Example 1** – Six eligible employees at the firm and they all take medical. In order to qualify for the dental plan they would need at least 50% of their employees to take the dental plan. i.e. three people would need to be on the dental plan to meet the 50% rule.

➤ **Example 2** – 10 eligible employees at the firm and five take medical (and they have 3 valid waivers). In order to qualify for the dental plan they would need five employees to enroll. However, they do not need to be the same five employees that enrolled on ,medical. They can be five different employees.

? **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 NSBA that are Nebraska domiciled employers providing legal services.

? **Are there limitations on pre-existing conditions?**

There are no pre-existing condition limitations on the NSBA 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 NSBAHIC.

? **If I move to the NSBA plan from my current insurance plan, will I ever have a gap in coverage or be double covered?**

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 under 50** – 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 and over** – will still be subject to the minimum hours per week of 17.5 hours per week and a maximum of 30 hours per week.

We have an employee who currently has coverage with her spouse's plan. She may want NSBA 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 NSBA Health Insurance Consortium 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 5 or more enrolled employees, or the online health application information completed by your employees if your group has less than 5 enrolled employees, 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 January renewal of the NSBA Health Insurance Consortium 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.

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 NSBA Health Insurance Consortium plan, and the individual groups within the health plan. Again, this will only be done annually as part of the NSBA Health Insurance Consortium plan renewal.

Once you complete and submit your health enrollment application to Aon, 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 the only way we can find out how much coverage costs is to enroll? Can we decline coverage after receiving our rate quote, or do we have to accept it?

Yes, if you choose not to enroll based on the rate table assigned to your group, your group can decline coverage. You may reconsider enrolling at a future enrollment period, when updated health enrollment applications will be needed.

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

The assigned rate band will be the same for the entire group.

Is more detailed information available on the plan options?

Yes, please contact Aon, at 402.697.5256 or via email at Jody.Gilcrist@aon.com who will email you a complete schedule of benefits for the plan(s) that interest you.

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 pre-tax dollars?

Typically they can both pay for medical coverage through Association Health Plans (AHPs) using pretax dollars. The NSBA Health Insurance Consortium 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.

GET STARTED

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COUNT ON US

For nearly 80 years, Blue Cross and Blue Shield of Nebraska (BCBSNE) has been an important part of Nebraskans' lives. We provide health insurance coverage or claims administration to more than 600,000 people. We're a Nebraska-based company, with our main office in Omaha and a satellite location in Lincoln.

*AON is an independent and authorized insurance producer for Blue Cross and Blue Shield of Nebraska.

Blue Cross and Blue Shield of Nebraska is an independent licensee of the Blue Cross and Blue Shield Association.

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