**CareFirst BlueChoice, Inc.**
840 First Street, NE
Washington, DC 20065
202-479-8000

An independent licensee of the Blue Cross and Blue Shield Association

# GROUP CONTRACT APPLICATION

***Non-Grandfathered Maryland Small Groups***
***For Products Offered off of the Maryland Health Benefits Exchange***

If this Application is being completed for a new Group, or an existing Group selecting a new product or making a jurisdictional change, the Group is required to complete this Application in its entirety, in black ink, and sign, date and return it to the Group's Sales Representative.

If this Application is being completed for an existing Group that is amending general information or selections submitted on a prior Application, the Group is required to complete, in black ink, *only* the sections in which the information is changing, and sign, date and return this Application to the Group's Sales Representative.

**No retroactive effective dates for new groups or amendments will be permitted.**

**Do not alter this document except to fill in the blanks and check the boxes provided. This Application will not be accepted if any other changes to it are made.**

## *GENERAL INFORMATION*

CareFirst BlueChoice Group Number (if available): _____

Name of Organization: _____

Physical Location:

Street Address: _____

City: _____ State: _____ Zip: _____

Mailing Address (if other than above):

Street Address: _____

City: _____ State: _____ Zip: _____

Billing Address (if other than above):

Street Address: _____

City: _____ State: _____ Zip: _____

Group Administrator (Person to Contact):

Name: _____ Telephone Number: _____

Title: _____

Email Address: _____

Chief Executive Officer/President

Name: _____ Telephone Number: _____

Title: _____

Email Address: _____

Federal Tax Identification Number: _____

## *GROUP ELIGIBILITY REQUIREMENTS*

The Group must meet the following requirements.

**Group Eligibility Requirements** -- To be eligible for coverage and maintain its eligibility, the Group must meet all requirements for a Small Employer as provided in §31-101(z) of the Insurance Article of the Annotated Code of Maryland:

"Small Employer" means an employer that, during the preceding calendar year, employed an average of not more than fifty (50) employees.

For purposes of this definition:

A. All persons treated as a single employer under §414(b), (c), (m), or (o) of the Internal Revenue Code shall be treated as a single employer;

B. An employer and any predecessor employer shall be treated as a single employer;

C. The number of employees of an employer shall be determined by adding:

1. The number of full-time employees; and

2. The number of full-time equivalent employees, which shall be calculated for a particular month by dividing the aggregate number of hours of service of employees who are not full-time employees for the month by 120.

D. If an employer was not in existence throughout the preceding calendar year, the determination of whether the employer is a small employer shall be based on the average number of employees that the employer is reasonably expected to employ on business days in the current calendar year.

E. An employer that makes enrollment in qualified health plans available to its employees through the Maryland Health Benefits Exchange (the "SHOP Exchange"), and would cease to be a small employer by reason of an increase in the number of its employees, shall continue to be treated as a small employer for as long as it continuously makes enrollment through the SHOP Exchange available to its employees.

Except as provided above, if the Group's actual enrollment varies such that the Group is not eligible for coverage as a Small Employer; the Group will be required to apply for other coverage by completing a new application and will be charged different premium rates. The Group Sales Representative or broker can help obtain additional detailed information about Maryland law requirements as it relates to Small Employers.

**Minimum Enrollment Requirements**

Minimum Enrollment Requirements do NOT apply to a Small Employer who submits this Application between November 15th and December 15th of any calendar year.

Otherwise, all other Groups have to enroll and maintain the following minimum enrollment requirements for medical coverage.

The Group must enroll and maintain enrollment of at least 75% of all Eligible Employees. To determine enrollment, the Plan considers all Eligible Employees, except those who:

1. Are Eligible Employees who have group spousal coverage under a public or private plan of health insurance or another employer's health benefit arrangement, including Medicare, Medicaid, and CHAMPUS, that provides benefits similar to or exceeding the benefits provided under the Group Contract;

2. Are Eligible Employees who are under the age of 26 years who are covered under their parent's health benefit plan;

If the Group offers another health benefits program through CareFirst BlueChoice and/or through another CareFirst BlueChoice affiliated or related entity, the total Group enrollment in all such plans will be combined to determine enrollment.

In addition, the group must meet the following enrollment requirements:

At least one full-time currently employed Eligible Employee must be enrolled under the Group's coverage at all times. Enrolled Groups that drop to less than one full-time employee should contact their Group Sales Representative or the Maryland Health Benefits Exchange to arrange for individual direct pay coverage.

If at any time the Group does not satisfy any minimum enrollment requirement stated in this Application for a group medical product, CareFirst BlueChoice reserves the right to rescind the proposal (if prior to the effective date of the applicable Group Contract), terminate the Group Contract for product that does not meet a minimum enrollment requirement, or refuse to renew the Group Contract product that does not meet a minimum enrollment requirement.

**Point-of-Service Option**
The following provision applies only if the Group offers CareFirst BlueChoice to its employees as the sole health benefits option:

*Under Maryland law, if you choose a point-of-service option for your group members, your group member may select a point-of-service option as an additional benefit. A point-of-service option allows your group members to obtain health care services from physicians and other providers outside the HMO network under certain circumstances that are described in attachment A. You have the choice to either pay for this point-of-service option, pay a percentage of the cost of this option, or require your group members to pay for the entire cost of this option. The cost of the point-of-service option described in attachment A is identified in your proposal.*

I have read and understand this disclosure statement and the attachments and, if I have chosen the point-of-service option, I will provide notice of the availability of this additional benefit to my eligible group members.

## *EMPLOYEE ELIGIBILITY REQUIREMENTS*

The following individuals (and their dependents) are Eligible Employees and are eligible for coverage, as long as they meet the additional eligibility requirements stated in the Evidence of Coverage and any attachments thereto:

A. Full-Time Employees (including owners and partners), who work, with respect to a calendar month, on average, at least 30 hours per week.

Full-Time Employee does not include a seasonal employee as defined in federal law.

B. Former employees and their dependents whose eligibility for group coverage has been extended due to COBRA requirements or the Maryland Continuation of Coverage provisions.

C. Other Eligible Employees: Specify as many of the following additional categories of employees or retirees as the Group wishes to cover, even if the Group does not currently have such individuals in the Group.

| | |
|---|---|
| ◉ YES ☐ NO | Part-time employees with a normal workweek of at least 17.5 hours and who are not full-time employees. (Those part-time employees working less than this required time period per normal workweek are not eligible). |

## *DOMESTIC PARTNER ELIGIBILITY*

Specify below whether Domestic Partners of Eligible Employees will be eligible to enroll.

| | |
|---|---|
| ◉ YES ☐ NO | Domestic Partners of Eligible Employees. |

**Enrollment Certification**
CareFirst BlueChoice reserves the right to inspect the records of the Group after sixty (60) days from the effective date of the Group coverage in order to verify the eligibility of employees and their Dependents. In addition, the Group may be required by CareFirst BlueChoice to complete and return to CareFirst BlueChoice an eligibility audit and/or census report annually.

## *EFFECTIVE DATES*

Coverage for a new Eligible Employee will be effective on the first day of the month following the date of employment or eligibility, whichever is later, unless otherwise specified below:

☐ On the date of employment or eligibility, whichever is later.
☐ On the first day of the month following 30 days of employment or eligibility, whichever is later.
☐ On the first day of the month following 60 days of employment or eligibility, whichever is later.
☐ On the day following _____ days of employment or eligibility, whichever is later (day range cannot exceed a total of ninety (90) days).
☐ On the day following the completion of the Group's Waiting Period. The Group's Waiting Period for professional employees is ____ days from the date of employment or eligibility, whichever is later and, for non-professional employees, is ____ days from the date of employment or eligibility, whichever is later (day ranges cannot exceed a total of ninety (90) days.).
☐ On the first day of the month following the completion of the Group's Waiting Period. The Group's Waiting Period for professional employees is ____ days from the date of employment or eligibility, whichever is later and, for non-professional employees, is ____ days from the date of employment or eligibility, whichever is later (day ranges cannot exceed a total of sixty (60) days to ensure compliance with applicable law).

## *TERMINATION OF COVERAGE*

Coverage for enrolled Subscribers who are no longer eligible (and any enrolled Dependents) terminates [on the last day of the [month] in which the Subscriber's employment or eligibility terminates.

## *AGE LIMITS FOR DEPENDENT CHILDREN*

Dependent children enrolled by an Eligible Employee (other than an incapacitated Dependent Child) are covered until the last day of the month of their 26th birthday.

## *GROUP'S RESPONSIBILITY TO EMPLOYEES*

In any case in which the employee is responsible for a portion of the monthly premiums, the Group must:

1. Advise the employee of his/her eligibility for coverage under the Group Contract;

2. Advise the employee when s/he may enroll for such coverage in accordance with the provisions stipulated in this Application and the Group Contract including the Evidence of Coverage;

3. Advise the employee when coverage will commence based on the aforementioned provisions and the date of completion of the enrollment form;

4. Advise the employee of the cost of such coverage to the employee and the method in which payment is to be made; and

5. Obtain from the employee a completed enrollment form and a signed agreement by the employee to pay the applicable portion of the monthly rates.

## *PREMIUM RATE CHANGES*

Premium Rate Changes. There may be a rate increase when approved by the Maryland Insurance Administration. CareFirst BlueChoice will not increase the Group's Premium rate during the period of twelve (12) months beginning after the Group Effective Date or renewal thereof. Any rate increase will be effective as of the effective date of any renewal of this Group Contract. CareFirst BlueChoice may increase the Group's Premium more frequently if the increase is due solely to the enrollment of a new Member.

CareFirst BlueChoice will provide notice of the change to Premium rate by giving the Group at least sixty (60) days prior written notice. CareFirst BlueChoice will also prominently post notice of the Premium rate change and justification for such on the CareFirst BlueChoice website.

## *GROUP STATEMENTS*

The Group agrees that in submitting this Application, it is acting for and on behalf of itself and as the agent and representative of its employees and COBRA participants, if applicable. The Group is not the agent or representative of CareFirst BlueChoice for any purpose of this Application or any Group agreement issued pursuant to this Application.

The Group agrees to receive on behalf of its Subscribers and their Dependents and COBRA participants, if applicable, the Evidence of Coverage, the identification cards, and all relevant notices furnished by CareFirst BlueChoice and to forward such materials to these individuals at their last known address.

The Group agrees that it has provided CareFirst BlueChoice with information regarding the eligibility of Eligible Employees (and their Dependents) that is accurate and consistent with the requirements and provisions of the Patient Protection and Affordable Care Act of 2010 (the "Affordable Care Act") and applicable state law.

This Group Contract Application is part of the Group Contract between the Group and CareFirst BlueChoice.

**Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.**

**If you have any questions concerning the benefits and services that are provided by or excluded under the coverage for which you are applying, please contact a membership services representative before signing this Application.**

**ACCEPTED FOR:**

_____
(Name of Organization)

BY: _____
(Printed Name of Authorized Officer)

_____
(Signature of Authorized Officer)

Title: _____ Date: _____

**Broker (if applicable)**

_____
(Printed Name of Broker)

_____
(Signature of Broker)

Email Address: _____

Broker ID#: _____ Date: _____

Effective Date of Group Contract: _____