UNDERWRITING GUIDELINES THE AFFILIATED PHYSICANS AND EMPLOYERS HEALTH PLAN MEWA

Plans effective July 1, 2016

This material is intended for agents and brokers. It is not intended to be all inclusive. Other policies and guidelines may apply.

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Plan Information	
Plan Name	The Affiliated Physicians and Employers Health Plan (APEHP)
Plan Sponsor	The Affiliated Physicians and Employers Master Trust (Trust)
Plan Type	Multiple Employer Welfare Arrangement (MEWA) This is not an insured benefit Plan. The benefits are self-insured by the Trust.
State Requirements	The Affiliated Physicians and Employers Master Trust is not an insurance company and does not participate in any guarantee funds created by NJ law.
Plan Origination Date	January 1, 2004
MEWA Definition	A MEWA is an arrangement, recognized in both federal and state law; whereby multiple employers join together to self-insure the welfare benefits of their employees.
Website	www.apehp.com
Eligibility and Enrollment Requirements	
Eligible Groups	A group is eligible to participate in the Affiliated Physicians and Employers Health Plan (APEHP) for coverage if they employ at least two (2) eligible F/T employees. Employer must be located in New Jersey.
Eligible Groups must be members of one of APEHP's Eligible Associations, IPAs, Chambers or they must be a member of the Medical Community, as defined	Groups are eligible through their association with **Atlantic Health System, IPA of North Jersey, Medical & Dental Staff Trinitas Hospital, Meridian Health System, Morris Area IPA, Mountainside IPA, Northwest Physician Organization, Inc., Saint Barnabas Physician Partnership LLC, Saint Clare's Health System, The Medical & Dental Staff of Hackensack University Hospital, The Robert Wood Johnson Health Network Hospitals, Vista Health**. ○ The employer must be a member of their local IPA (if there is one). Groups are Eligible if they are members of the **Medical Society of New Jersey (MSNJ).** ○ The employer must be a member of The Medical Society of New Jersey as well as their County Medical Society. Groups are Eligible if they are members of the **Employers Association of New Jersey (EANJ).** ○ The employer must be an active member of EANJ and they must continue to maintain their active membership in order to remain eligible for coverage; **or** ○ If enrolling in the Community Care Network Plan, groups need to join EANJ or if located in the Monmouth County area can also be an active member of one of the following **Chambers of Commerce:** ▪ Greater Monmouth Chamber of Commerce; ▪ Howell Chamber of Commerce; ▪ Jackson Township Chamber of Commerce Groups are Eligible if they are associated with the **Medical Community** and provide ongoing professional services to such groups. ○ The employer must provide professional services to the Medical community on an ongoing basis or be affiliated with a sponsoring association or sponsoring hospital of the Plan. Groups are as follows but not limited to the following: Chiropractors, Dentists, Home Health Companies, IT Support, Labs, Medical Billing Offices, Nurses, Medical Insurance Brokers, Marketing, Medical Supply Companies, Physical Therapists, PR Firms and Accountants including members of the New Jersey Society of Certified Public Accountants (NJSCPA).
Rate Structure	• Small Group 2-50 - Billed Based on Composite Rates • Large Group 51+ - Billed Based on Composite Rates

Participation Effective Date	• Groups may only become effective on the 1st of any month • Members may only become effective on the 1st of any month following the group's designated new hire/rehire waiting period or the first of the month following the date of a qualifying event). ○ Exception – Newborns will be effective on their date of birth
Group/Member Termination	**Group Terminations** – are effective the last day of the month. Off-renewal terminations require 60 day advance written notice. **Member Terminations** – are effective the last day of the month. A termination form is required and must be submitted no later than the 15th of the following month. (i.e.: employee terminates employment 1/5, the actual termination of coverage date is 1/31)
Renewal Dates	• January 1st - for Effective Dates – 1/1 through 3/1 • April 1st - for Effective Dates - 4/1 through 6/1 • July 1st - for Effective Dates – 7/1 through 9/1 • October 1st -for Effective Dates – 10/1 through 12/1 *(1st Year Rates could have a short rate period, with the shortest rate period being 10 months)*
Rate Periods	• January 1st -December 31st • April 1st -March 31st • July 1st -June 30th • October 1st -September 30th
Benefit Period/Plan Year	January 1st – December 31st Deductibles and MOOP run January 1st – December 31st
Participation	

Group Level - Minimum Participation Requirements	• 2 - 50 Eligible Employees – Requires 75% Participation
	• 51+ Eligible Employees – Requires 50% Participation
	• Valid waivers count towards the participation requirement
	  • Employees covered as a dependent under a spouse's coverage.
	  • Employees covered under NJ Family Care, Medicare, Medicaid, or TRICARE.
	  • Employees covered as an eligible dependent to age 26, in accordance with the federal Patient Protection and Affordable Care Act.
	  • Employees covered under another group health benefits plan.
	  • Ineligible employees will not count towards participation
	  • Classed-out employees count towards participation requirement
	  • Federally Facilitated Marketplace
	• Upon renewal with the APEHP, if participation falls below the required minimum, groups who meet certain criteria may be grandfathered and remain on the plan.

Out of Area Employees	• 50% of eligible employees must reside in NJ
Required Tax Documents to Validate Group Status	
Groups with <u>ONLY</u> 2 Employees	• Most recent WR-30 • Payroll Ledger showing FICA and Federal Income tax withholding • K1 with 1040*, 1120 or 1120S *If there is an amount on line 7 of the personal 1040, a W-2 must be provided to substantiate • K1 with 1040* and 1065 *If there is an amount on line 7 of the personal 1040, a W-2 must be provided to substantiate • If filing a K1 extension, submit prior year K1 with current extension form. Once filed you will have 30 days to submit the filed K1.
Groups with 2-50 Eligible Employees	• Employers must provide a copy of the most recent quarterly wage and tax statement (QWTS/WR-30) of all employees of the employer group, illustrating a quarter of employment.

	• Newly hired employees - W4 • Employees who have terminated, seasonal, not eligible or work part time must be noted accordingly on the QWTS. Reconciled QWTS must be signed and dated by the employer. • K1 with 1040*, 1120 or 1120S *If there is an amount on line 7 of the personal 1040, a W-2 must be provided to substantiate • K1 with 1040*, and 1065 *If there is an amount on line 7 of the personal 1040, a W-2 must be provided to substantiate
Groups with 51+ Eligible Employees	• Submit a complete census with all employees including: eligible employees, full time, part time, seasonal, home zip codes, gender, coverage status, DOB and employees in the waiting period.
Independent Contractor	• 1099 and Schedule C
Common Ownership	• Employers that have more than one business with different tax identification numbers (TINs) may be eligible to enroll as one group if the following are met: ○ Employer must provide a statement from a tax accountant or attorney verifying that multiple companies are considered affiliated for federal tax purposes. ○ One owner has controlling interest of all business to be included; or ○ Provides proof of ownership (or is eligible to file) an Affiliations Schedule, IRS Form 851, 1065- Schedule K1 or SS4; ○ A copy of the latest filed tax return must be provided; and provides WR30 for each entity and combined census with all eligible employees from all entities. ○ All businesses filed under one combined tax return will be considered a single group. For example, if the employer has three businesses and files all three under one combined tax return, then all three businesses must be enrolled for coverage. If the request is for only two of the three businesses to be enrolled, the group will be considered a carve-out. • Underwriting reserves the right to final underwriting review, and may consider common ownership on a case-by-case basis.
Quoting Procedures	
Quoting	• Rate Quotes are based on Employee Only Census • Small Group: Estimated 2 – 4 Day TAT • Large Group: Estimated 5 - 7 Day TAT
Eligible Employees	
Eligible Employees	Eligible employee means a full-time employee who works a normal work week of 24 or more hours at its usual place of business and is compensated for such service by a regular periodic wage or salary that is subject to FICA and federal income tax withholding by the employer.
Ineligible Employees	
Ineligible Employees	Leased, part time (working less than 24 hours), temporary, non-consecutive seasonal or substitute employees (a seasonal employee as an employee who is hired with the understanding that he/she is not a permanent, year-round employee and who is employed for fewer than 120 working days per tax year), 1099 independent contractors working for multiple entities, uncompensated employees, employees making less than minimum wage, volunteers, inactive owners, directors/trustees, shareholders, officers, outside consultants, managing members who are not active, investors or silent partners. • Retirees are not eligible. • If the employer's employee eligibility criteria definition (large group only) differs from the above definition (more than 24 hours), the employer's actual definition must be provided on the Employers letterhead at the time of new business submission. • Employees in the waiting period are not included in the count when determining group size. • Union employees who have collectively bargained for their health plan are excluded as eligible employees for the purpose of health coverage.

Waiting Period	
Waiting Period	• Each employee must satisfy a waiting period of at least 30 days from hire date before becoming eligible for coverage or the employer must supply the Plan with any exceptions for waiving the waiting period, prior to the employee's enrolling in the Plan. *(Ex. 1st of the month following date of hire, 30 days or 60 days)* • A group can elect up to a maximum of 60 day wait period after the 1st of the month. *(Ex. 1st of the month following 60 days)* • The waiting period can only be changed at initial group enrollment or at renewal.
Eligible Dependents	
Eligible Dependents	• The employee's spouse, defined as the person recognized as the covered Employee's husband or wife under the laws of the state where the covered Employee lives. • Domestic Partners, of any gender, are covered, provided they meet the proof requirements. It is required that three documents evidencing the commitment of the relationship be provided to the Plan. • Civil Union Partner are covered and required to submit a copy of the Civil Union Certificate. • The employee's dependent children under 26 years of age. A dependent child regardless of marital status is defined as your biological, adopted children or step-children. • Unmarried Child(ren) between the age of 26 and 31 as defined in NJ Chapter 375. • An unmarried child, over the age of 26, who is medically certified as disabled and dependent upon the employee, whom the employee claimed as a dependent on income tax returns filed for the previous year. Subject to periodic review and approval by Medical Director. • Dependents must enroll in the same benefit option as the employee.
Case Submission	
Submission Dates	• New Groups: 15 Days prior to effective Date • Term Groups: 15 Days prior to Renewal date or 60 Days prior to termination date • Plan Changes: Can only be made at Renewal
Binder Check	Groups are required to submit a binder check for the 1st month's premium based on the employees enrolling. **Affiliated Physicians and Employers Master Trust** **PO Box 95000-7315** **Philadelphia, PA 19195-7315**
Continuing Coverage	
COBRA	COBRA coverage will be extended in accordance with federal law. COBRA is administered through O.C.A Benefit Services (TPA)
New Jersey State Continuation	New Jersey State Continuation will be provided in accordance with state law. State Continuation is administered through O.C.A Benefit Services (TPA)
TEFRA	TEFRA status in a **Multiple Employer Welfare Arrangement (MEWA)** is determined based on the total number of employees within the arrangement, as follows: • If an arrangement has 20 or more total employees in one enrolled group the at-work, Medicare-eligible (due to age) employees' coverage is considered as APEHP is the primary payer and Medicare is the secondary payer.

HRA/FSA Administration	
HRA/FSA	The APEHP has partnered with OCA Benefits, a Third Party Administrator for HRA, FSA, Wellness and H.S.A Administration. • HRA/FSA will be offered at no monthly administration fee. • Employers may fund up to 75% of the deductible • An employer will pay $250 for the annual set up and renewal fee. • Additional services can be purchased by the employer (HSA/Parking & Transit/Regulatory Notifications/dependent Care/COBRA etc.)

Billing	
Employer Healthcare Fees	• Upon enrollment if quoted membership changes more than 10% from the original quote or if the group's membership changes more than 10% during the year, the Plan reserves the right to re quote. The rate structure is subject to change at any time.
Group Termination Notification	• Groups may terminate by providing 60 days Written Notice off renewal or by providing Written Notice 15 Days from the end of the Renewal Contract period
Billing Information	• Payment is Due the 1st of each month • Payments payable to: **APEHP** • Payments can be made payable by check remittance or Direct Debit

Broker Information

- **<u>Refer to broker contract for commission structure</u>**
- Commissions are paid to either the GA or the Broker but not both. If a GA is elected, the GA will be paid the full commission.
- Broker responsible to coordinate with the GA as per the Broker/GA agreement
- BOR must be submitted with each New Group and will be effective on the group's effective date.
- Brokers are responsible for verifying any commission statements and must contest any misinformation within 30 days.
- Brokers must complete and submit required paperwork :
  - ✓ Broker Agreement
  - ✓ W-9
  - ✓ Copy of Health Insurance License
  - ✓ Copy of E&O coverage
- BOR takeover will only be effective on an existing group's renewal date or the 1st of the month following BOR takeover.

IMPORTANT BENEFIT/PLAN INFORMATION		
Subject	**Description And Explanation**	
Plan Offerings	• An employer can offer 1 or any combination of all Medical Plan Designs • An employer can elect 1 or more Rx Options per Medical Plan • No minimum employee participation is required by Plan Offering • Plan designs are static, Plans cannot be changed or revised	
Medicare Coordination	APEHP is Primary regardless of group size as the APEHP is treated like a large group plan.	
Emergency Coverage	If you require medical attention while you are traveling or your covered Dependent child requires care while away at school, the Plan will pay benefits as follows if an Out-of-Network provider is utilized: **Emergency care** will be reimbursed at the in network level. Emergency care includes conditions that require immediate treatment, such as bone fractures, wounds requiring sutures, poisoning and loss of consciousness. **Urgent care is subject to the specialist copay both in-network and out-of-network** Urgent care includes non-emergency conditions for which treatment cannot reasonably be postponed, such as minor cuts, sprains or strep throat. **Elective care** will be reimbursed at the out-of-network level, if you have out-of-network benefits. You should always try to find a participating provider for these services to lessen your out of pocket expenses.	
Networks	**QualCare, Inc. – Regional Network** www.qualcareinc.com **1-888-670-8135**	• **QualCare POS** – Plan A, B, F, G, H, J, K,M & N (Tier 2 Coverage) O,P,R,S,T,U,V,W • **QualCare PPO** – Plan D, and L • **Community Care Network** – Plan M, N, X, Y
National Network	**Cigna OAP Network** Outside of QualCare's Regional Network http://sarhcpdir.cigna.com/mcoap	• Included in Base Rates • Offered with All Plans except X, Y

OON Provider Reimbursement	**Plan's Allowable Charges** are charges that do not exceed the maximum dollar amount the Plan will recognize for a covered service, procedure or supply by other Network Providers of similar profession. The Covered Person is responsible for amounts above the Plan's Allowable Charge and can be balance billed by an out-of-Network Provider. For all Out-of-Network elective and non-emergent Physician and ancillary services the Plan will not pay more than the Plan's Allowable Charge as indicated above. For all Out-of-Network elective and non-emergent Hospital services the Plan will not pay more than Plan's Allowable Charge which will be based on 125% of current year CMS Fee Schedule. Charges in excess of the *Plan's Allowable Charges* are not considered covered charges under the Plan and do not accrue towards the maximum out-of-pocket allowance
Plan Contact Information	Phone Number: **1-833-639-2669** Fax Number: **1-833-639-2329** New Business: mewasales@concordmgt.com Existing Business: mewaenrollment@concordmgt.com Member Claim/Eligibility/ID Cards: www.APEHP.com
SPD- Summary of Plan Description SBC - Summary of Benefits and Coverage	SPD's and SBC's are available on the Affiliated Physicians and Employers website (www.apehp.com) in both English and Spanish. A paper copy of the SPD, SBC and Uniform Glossary can be provided free of charge upon request beginning on September 23, 2012. Please contact the Plan to make a request at **1-888-670-8135.**
Actuarial Value	All APEHP MEWA Plans meet the 60% Minimum Actuarial Value as required by PPACA, and therefore are considered "Affordable" options for small employers.
Essential Health Benefits	All APEHP MEWA Plans are not required to meet the Essential Health Benefits, however the MEWA does cover the following ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative services and devices; laboratory services; pediatric vision; preventive and wellness services and chronic disease management; The MEWA does not currently offer Dental care services.