Selling ACA, SMART, and FARM plans to Small Groups
Understanding our Small Group plans

Your partnership is valuable to us. That’s why it’s important you have all the information you need to better understand our products. This guide contains everything you need to know about our Affordable Care Act (ACA) plans, Small Group Multi-Employer ASO-Rated Trust (SMART) plans, and Georgia FARM Bureau Health Care (FARM) plans.

Georgia SMART and FARM plans are self-funded and offered through a multiple employer arrangement. This arrangement makes it possible for Small Group employers (with 2 to 50 employees for SMART, and 2 to 50 employees or sole proprietors for FARM) to join together and share claims risk.* Being a part of a larger, self-funded pool gives employers financial protection backed by Anthem’s stop loss coverage.

**Definition of insurable group (ACA, SMART, and FARM plans)**

To meet the definition, a group must:

- Be a corporation, limited liability company (LLC), partnership, or proprietorship that is actively engaged in business in the state (or service area) where the group policy is being filed.
- Have an employer-employee relationship.
- Be permanent in nature, as required by applicable law.
- Comply with the state definition in which the group is domiciled.
- Have a valid street address (cannot be a post office box only).

The requirements are applicable to governmental political subdivisions, educational organizations, nonprofit organizations, religious institutions, and Native American tribes.

**One-life groups**

The ACA definition of a “small employer” includes, and requires coverage for, one-life groups. An eligible one-life group is considered to be an employer with one person eligible for coverage that has at least one common-law employee who works enough hours to be eligible for coverage.

Business structures that only employ a husband and wife are not eligible for Small Group coverage on our SMART and ACA plans but may be eligible for Georgia FARM, depending on SIC code.

For S corporation (S-corp), Sole Proprietor, Partnership, and limited liability company (LLC) business structures, a common-law employee means anyone other than the spouse of the employer, who works enough hours to be eligible for coverage. Sole proprietorships and single-member LLCs with no common-law employees are not eligible for Small Group coverage.

For a C corporation (C-corp), a common-law employee can include the spouse as long as they work enough hours to be eligible for coverage.

Volunteer workers and 1099 contractors are not considered common-law employees for the purposes of determining Small Group coverage eligibility.

*Other restrictions may apply.
Participation requirements (ACA, SMART, and FARM plans)
ACA, SMART, and FARM plans are required to have 75% of net eligible employees (the total eligible less valid health benefit waivers for coverage). Valid health benefit waivers include:

- Spousal group coverage.
- Medicare/Medicaid.
- Coverage through prior employer retiree.
- Military.
- Coverage through other employer.
- Federal Employees Health Benefits program (FEHB).
- State low-income plan.
- Coverage under a parent’s plan up to age 26.
- Railroad workers in a government-sponsored plan.
- Recognized religions that oppose health insurance.
- Individual coverage.

Participation requirements for Small Group ACA insured medical coverage may not be imposed for groups with complete applications received from November 15 through December 15 but may be imposed at all other times. We reserve the right to ask for proof of waiver.

Contribution requirements (ACA, SMART, and FARM plans)
Employers must contribute at least 50% of the employee premium for the leanest plan within their product family. For an age-rated Small Group, the employer may calculate this amount using one of two methods:

1. 50% of the employee-only rate for the leanest plan for each employee calculated separately (different amount contributions by employee)
2. 50% of the employee-only composite rate equivalent for the leanest plan

Eligible participants (ACA, SMART, and FARM plans)
- Full-time employees – who are regularly scheduled to work at least 30 hours per week during the year. This may include seasonal employees who averaged at least 30 hours of service during a previous period.
- Independent/commissioned contractors – who receive a 1099 IRS form are eligible. Additional eligibility requirements apply.
- 1099 contractors – those paid by 1099 may be considered eligible for coverage if they meet the following requirements:
  - 1099 contractors are not considered in determining Small Group rating applicability. For example, an employer with 10 full-time employees and 120 1099 contractors is rated as a Small Group.
  - 1099 contractors must work full time, year-round, solely for the employer applying for coverage.
  - At least 50% of the employees should be taxed employees, with no more than 50% paid by 1099.
  - 1099 contractors are subject to the same waiting periods and all other eligibility criteria, including participation and contributions. This should be enforced for 1099 employees to be considered eligible.
  - The employer agrees to extend the coverage offering to all 1099 contractors in the same employment situation, including future 1099 employees.
  - 1099 contractors must work for employers with a minimum (employer may count themselves) of two taxed employees and with documentation showing a valid business.
  - There must be a legitimate group maintained with two taxed employees on which to add the 1099 class. See the appendix for required documentation for 1099 contractors.

SIC codes cover more than traditional farming
Groups can fall within a broad range of agricultural SIC codes to participate in a larger, alternative funded pool. This can include construction, clothing, paper products, printing, mining, furniture, raw materials, food preparation, restaurants, grocery stores, landscapers, and fertilizers. For a complete list of SIC codes, visit anthem.com/gafarm.
Ineligible employees

- Part-time employees (working less than the designated number of hours), as defined in eligible employee guidelines
- Employees in waiting period
- Retirees
- Stockholders, unless meeting hourly requirement and drawing a salary, in-line with all other eligible employee criteria
- Trustees, members of the board of directors, and elected officials, unless meeting hourly requirement and drawing a salary, in-line with all other eligible employee criteria
- Seasonal employees in plans not offered or not otherwise considered full time
- Members who erroneously or fraudulently enrolled in coverage
- Individuals who do not meet or cease to meet eligibility requirements
- Workers provided by temporary agencies
- Foreign employees covered by their country’s government health plan residing outside the U.S.
- Private household employees

Allowed number of plans (ACA, SMART, and FARM plans)
The number of medical and dental plans a group is allowed is based on the number of employees enrolled, not the number of employees eligible. Certified public accounts (CPAs), counties, board of commissions (BOC), and county water and sewer groups are unable to be quoted as part of the GA Chamber SMART Plan, GA FARM Bureau Health Care Plan, or ACA groups.

Medical underwriting (SMART and FARM plans only)
- Preliminary rates can be provided with just a census and group data for employers with five or more members.
- Medical underwriting will be required on groups with fewer than five members.

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<tr>
<th>Code</th>
<th>Definition</th>
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<tbody>
<tr>
<td>T</td>
<td>Terminated</td>
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<tr>
<td>P</td>
<td>Part time</td>
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<tr>
<td>N</td>
<td>Enrolled in Medicare, CHAMPUS or TRICARE, Federal Employees Health Benefits program (FEHB), or COBRA; coverage through another group program, either through a spouse or as a retiree or employee; have not met the employer’s waiting period; or is enrolled in an Anthem individual policy</td>
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<td>E</td>
<td>Eligible but chooses not to enroll</td>
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SMART and FARM plans:
- An EZquote with final rates and rate confirmation page completed
- Employer’s wage and tax report or equivalent proof of group and employee eligibility
- A group master application
- A signed participation agreement
- A signed product dues acknowledgement
- An electronic funds transfer (EFT) form
- A health savings account (HSA) form (if group selects an HSA plan)
- A Small Group Enrollment Census Macro

To submit new cases, please complete all required documents and send to galocalsmartimpl@anthem.com. To access the documents and overall information for SMART plans, visit anthem.com/gachamber_smart, and for FARM plans, visit anthem.com/gafarm. Anthem does not administer COBRA for SMART and FARM plans.

Right to audit
Anthem reserves the right to audit all enrolled groups to ensure compliance with underwriting guidelines. The group must agree to comply with Anthem’s audit requirements and provide Anthem access within 31 days of our request for financial, personnel, and payroll records needed to audit and verify compliance with our underwriting guidelines, the group administrative agreement, and applicable legal requirements.

Rerate rule
ACA plans: Rates must be based on the age of the actual enrolling employees and dependents. If this differs from what was used when rates were calculated, the final rates will change.

SMART and FARM plans: Anthem reserves the right to change new business-quoted rates when the final submitted information is different than the information that was originally quoted.

Anthem reserves the right to rerate the group post-enrollment when a significant change to the group takes place. This may include, but is not limited to:
- Legislation changes that materially affect costs.
- Merger, acquisition, or spinoff if it affects the classification as Small Group or Large Group.
- Material misrepresentations.

Changes on and off renewal
- Group benefit or eligibility changes are generally made at the anniversary date.
- Retroactive changes to the waiting period will not be allowed.
- Groups can increase the waiting/probationary period after the anniversary date of their effective date.
- Decreasing the waiting/probationary period requires Underwriting approval.
- The waiting period starts from date of eligibility when an employee changes from an ineligible class to an eligible class.
- New hires are eligible to enroll based on the waiting/probationary period in effect on the date of hire.

Changes in benefits and eligibility
- When an employer requests a change in their effective date, Anthem will consider the change in advance of the effective date. If the change is approved, the rates must be revised to the rates of the new effective date.
- Group benefits or eligibility changes are made at the anniversary date of their effective date. All changes are subject to Underwriting approval.
- Benefits downgrades are allowed one time outside the anniversary date of their effective date. Benefit upgrades are only allowed at renewal.
Documentation requirements

Proprietorship (ACA only)

A proprietorship is an unincorporated business owned by one person.

Each enrolling proprietorship, in addition to standard documents, must write in the names of the owner and employee not appearing on the tax report, along with an explanation of why the person does not appear (owner, new hire) on the tax document provided. Spouses and children of the owner must document earned income in their own names sufficient for the hours worked in order to qualify as eligible employees. Without documentation, they must enroll as dependents of the owner.

If the proprietorship has not previously filed an employer’s quarterly tax report because it has recently begun operations, or if the proprietor has not filed federal income taxes, they must submit a small business eligibility form and one of the following:

- Copy of business license
- Internal Revenue Service (IRS) Form SS-4 (application for employer identification number)
- Copy of form R-1 (local state registration application form)
- Copy of state sales tax certificate

If the proprietorship has not previously filed an employer’s quarterly tax report because it has only recently added employees but the proprietor has filed federal income taxes, they must submit a copy of the owner’s most recent Schedule C (Form 1040) and the small business eligibility form.

Proprietorship (Georgia FARM Bureau Health Care Plan only)

Groups enrolled in the Georgia FARM Bureau Health Care Plan must submit a Schedule F (Form 1040) to report farm income and expenses.

Partnership

A general partnership is a relationship between two or more persons who join together to carry on a trade or business. For the purpose of group insurance eligibility, Anthem recognizes only legal partnerships in which a written partnership agreement exists.

Each enrolling partnership, in addition to the standard documents above, must write in the names of the partners and employees not appearing on the tax document provided, along with an explanation of why the person does not appear (partner, new hire). Spouses and children of the partners must document earned income in their own names sufficient for the hours worked in order to qualify as an eligible employee. Without documentation, they must enroll as dependents.

If the partnership has not previously filed an employer’s quarterly tax report because it has recently begun operations or if the partnership has not filed federal income taxes, submit a small business eligibility form and one of the following:

- Copy of business license
- Copy of partnership agreement
- IRS Form SS-4 (application for employer identification number)
- Copy of Form R-1 (local state registration application form)
- Copy of state sales tax certificate

If the partnership has not previously filed an employer’s quarterly tax report because it has no employees or only recently added employees and if federal income taxes have been filed, they must submit the following:

- Copy of each partner’s Schedule K-1 (Form 1065)
- Small business eligibility form
Limited partnership

A limited partnership is created in most cases to obtain additional funds. General partners are actively involved in the partnership's daily business and retain control over management of the partnership. Limited partners invest money or property in the business in exchange for a share of the profits. Generally, limited partners are investors only and are not actively involved in the partnership’s daily business. The enrollment process is the same as a partnership, which makes the documentation the same.

C corporation

A C corporation, also known as C-corp, is an entity with a legal existence apart from its owners. A special type of corporation, a professional corporation (PC), can be organized to perform certain professional services. Stockholders are required to work sufficient hours to qualify for coverage and must provide proof of income, same as with owners of other types of businesses.

Each enrolling corporation, in addition to providing standard documents, must write in the names of employees not appearing on the tax report and provide an explanation of why the employee does not appear (new hire) on the tax document provided. Spouses and children of the owners must be able to document earned income in their own names sufficient for the hours worked in order to qualify as an eligible employee. Without documentation, they must enroll as dependents of the owners.

If the corporation has not previously filed an employer’s quarterly tax report because it has recently begun operations or recently added paid employees or if the corporation has not filed federal income taxes, submit a small business eligibility form and one of the following:

- Copy of business license
- Copy of incorporation papers
- IRS Form SS-4 (application for employer identification number)
- Copy of Form R-1 (local state registration application form)
- Copy of state sales tax certificate

S corporation

An S corporation is a hybrid of a partnership and corporation that offers tax advantages to the corporation’s shareholders while giving protection against personal liability. Stockholders are required to work sufficient hours to qualify for coverage and must provide proof of income, same as with owners of other types of businesses.

Each enrolling S corporation, in addition to providing standard documents, must write in the stockholders and employees not appearing on the tax report and provide an explanation of why that employee does not appear (owner, new hire) on the tax document provided. Spouses and children of the owners must be able to document earned income in their own names sufficient for the hours worked in order to qualify as an eligible employee. Without documentation, they must enroll as dependents of the owner.

If the S corporation has not previously filed an employer’s quarterly tax report because it has recently begun operations or recently added paid employees or if the S corporation has not filed federal income taxes, submit a small business eligibility form and one of the following:

- Copy of business license
- Copy of incorporation papers
- IRS Form SS-4 (application for employer identification number)
- Copy of Form R-1 (local state registration application form)
- Copy of state sales tax certificate

If the S corporation has not previously filed an employer’s quarterly tax report because its only employees are nonsalaried shareholders and federal income taxes have been filed, submit a copy of each stockholder’s Schedule K-1 (Form 1120-S) and small business eligibility form.
**Limited liability company**

An LLC is a business entity that is an unincorporated association of one or more members who own membership interests. A professional limited liability corporation (PLLC) is a variation of an LLC and is organized to perform a professional service. The enrollment process is the same as a partnership, which makes the required documentation the same.

**Nonprofit organization (except religious organizations)**

Nonprofit organizations are under section 501(c)(3) of the IRS code. Each enrolling nonprofit organization, in addition to standard documents, must write the name of employees not appearing on the tax report and provide an explanation of why the employee does not appear (new hire) in the tax document provided. Spouses and children who enroll as eligible employees must be able to document earned income sufficient for the hours worked. Without documentation, they must enroll as dependents.

If the nonprofit organization has not previously filed an employer’s quarterly tax report because it has recently begun operations or has been exempt from filing the employer’s quarterly tax report, they must submit:

- A copy of a payroll report that lists all paid employees and shows Federal Insurance Contributions Act (FICA) and federal income taxes being withheld, or if a payroll has not been paid, a listing of all employees.
- A copy of 501(c)(3) exemption granted by the IRS.

**Religious organizations**

Each enrolling church or religious organization, in addition to standard documents above, must submit:

- A copy of a payroll report that lists all paid employees and shows FICA and federal income taxes being withheld (clergy who are paid but are not subject to FICA or federal income tax withholding may be written in on the payroll report and marked “clergy”), or if a payroll has not been paid, a listing of all employees.
- A copy of 501(c)(3) exemption granted by the IRS.

**Additional paperwork for 1099 employees**

Additional paperwork includes:

- The wage and tax statement, indicating a minimum of two taxed employees and all criteria above is met.
- A separate letter or addendum from the employer, listing all 1099 contractors and indicating that the employer agrees to comply with the conditions above.
- Form 1096 or a letter on company letterhead (may be requested).
- If there are 1099 contractors who do not fit into the definition of eligible as described in “Eligible participants,” they should also be listed on the document with a reason for their ineligibility.
- Four weeks of current payment documenting active, full-time 1099 status.
Important contacts

**Support**
Agent of record changes
sgampaperwork@anthem.com

Small Group broker services
800-770-6226
bluesolutions@anthem.com

Individual broker services
866-215-4879
eastbrokerservices@anthem.com

Commissions and licensing
877-304-6470
salescompeastregion@anthem.com

Medicare
800-633-4368
medicareagentsupport@anthem.com

Web support
888-268-4361
software.support@anthem.com

FOA help desk and website technical support
888-268-4361
software.support@anthem.com

**Quotes, submissions, and renewals**
Medical quotes
rapidquote2@anthem.com or FOA via the Producer Toolbox on anthem.com

Chamber SMART and FARM submissions and renewal changes
galocalsmartimpl@anthem.com

ACA submissions and renewal changes
smallnewgrouppackagesubmittals-ga@anthem.com

Renewal alternatives
Contact your designated Small Group account manager

**Membership**
ACA membership
Fax: 855-600-6848

Non-ACA membership
Fax: 888-470-6598

**Specialty**
Dental, vision, life, and disability
877-606-3326
connect@anthem.com

**IngenioRx**
Home delivery
P.O. Box 94467
Palatine, IL 60094-4467
833-203-1739

Help desk
Chamber SMART and FARM: 833-296-5039
ACA: 833-296-5041
antheme.com/ms/pharmacyinformation/home.html

**Chamber SMART and FARM**
Billing
Chamber SMART and FARM: EFT submission
ACA: P.O. Box 6406 Carol Stream, IL 60197-6406

**EmployerAccess**
Chamber SMART and FARM:
employeraccess.support@anthem.com
ACA: employeraccesssupport@anthem.com

**Provider**
Provider directory available 24 hours online at anthem.com or via the Sydney Health app

**COBRA**
Administration for ACA groups only
866-800-2272, option 1

You can count on Anthem to be here for you. Contact us if you have questions or need additional assistance.