



Health Insurance Partnership

REGISTRY MANUAL

January 7, 2010

TABLE OF CONTENTS

<u>EMPLOYER ELIGIBILITY.....</u>	<u>1</u>
ELIGIBILITY BASED ON SIZE: COUNTING ELIGIBLE EMPLOYEES.....	1
ELIGIBILITY BASED ON SIZE: BUSINESSES WITH ONE EMPLOYEE	1
EMPLOYER ELIGIBILITY BASED ON PARTICIPATION RATE: GROUPS OF ONE	2
NO EMPLOYER-SPONSORED GROUP COVERAGE DURING THE PAST YEAR.....	2
MARYLAND EMPLOYER.....	3
EMPLOYERS RELOCATING OUT OF A CARRIER’S LICENSED SERVICE AREA	3
<u>HEALTH PLANS ELIGIBLE FOR A SUBSIDY.....</u>	<u>3</u>
THE WELLNESS BENEFIT	3
<u>SECTION 125 PLANS</u>	<u>3</u>
<u>HEALTH SAVINGS ACCOUNTS (HSAs)</u>	<u>4</u>
IF THE TOTAL SUBSIDY IS GREATER THAN THE TOTAL (UNSUBSIDIZED) PREMIUM.....	5
HSAs: AUDITING AND THE USE OF THE REQUIRED FINANCIAL INSTITUTION.....	5
EMPLOYER CONTRIBUTIONS TO THE HSAs OF CERTAIN OWNERS.....	5
EMPLOYER CONTRIBUTIONS TO THE HSAs OF MEDICARE-ELIGIBLE INDIVIDUALS.....	6
HEALTH REIMBURSEMENT ARRANGEMENTS (HRAs).....	6
<u>MAKING CHANGES TO THE EMPLOYER RECORD BEFORE THE FIRST SUBSIDY PAYMENT REQUEST IS GENERATED</u>	<u>6</u>
<u>MAKING CHANGES TO THE EMPLOYER RECORD AFTER THE FIRST SUBSIDY PAYMENT REQUEST HAS BEEN GENERATED .</u>	<u>7</u>
ADDING EMPLOYEES	7
ADDING NEWLY HIRED AND NEWLY ELIGIBLE EMPLOYEES	7
SPECIAL ENROLLMENT OF NON-PARTICIPANTS FOLLOWING HIPAA-QUALIFYING EVENTS.	8
CHANGE IN COVERAGE FOR CURRENT PARTICIPANTS FOLLOWING HIPAA-QUALIFYING EVENTS	8
EFFECTIVE DATE OF COVERAGE FOLLOWING HIPAA-QUALIFYING EVENTS	8
CHANGE IN COVERAGE BECAUSE AN EMPLOYEE BECOMES MEDICARE ELIGIBLE.....	9
TERMINATION OF AN EMPLOYEE’S COVERAGE	9
CHANGES IN THE EMPLOYER’S CHOICE OF PLANS OR EMPLOYER CONTRIBUTIONS	9

PREMIUM RECALCULATIONS BY THE CARRIER AFTER SUBMISSION	10
<u>TERMINATING EMPLOYER COVERAGE</u>	10
<u>CALCULATION OF THE SUBSIDY AMOUNTS</u>	11
<u>ANNUAL CHANGES IN THE SUBSIDY TABLE</u>	12
<u>FALSIFICATION OF INFORMATION</u>	12
<u>THE REGISTRY – GENERAL INFORMATION</u>	12
REGISTRY SUPPORT	12
CHANGES TO THE REGISTRY WEB SITE AND DATABASE	12
A NOTE ABOUT REQUIRED FIELDS	13
EMPLOYER IDENTIFIERS	13
<u>THE REGISTRY - LOGGING ON</u>	13
LOGGING ON AS THE CARRIER.....	13
LOGGING ON AS A TPA / SUBSIDY ADMINISTRATOR.....	14
<u>REGISTRY – MAIN PAGE</u>	15
START NEW EMPLOYER REGISTRATION.....	15
REGISTERED EMPLOYERS	16
<u>REGISTRY RECORD – PART 1: EMPLOYER.....</u>	17
BROKER (PRODUCER/AGENT) ID	18
MARYLAND CENTRAL REGISTRATION NUMBER (MCRN)	18
NAME	18
CONTACT	18
“ADD EMPLOYER”	18
<u>REGISTRY RECORD – PART 2: POLICIES.....</u>	18
EMPLOYER CONTRIBUTIONS.....	18
ENTERING A PLAN CHOICE TO PROVIDE COVERAGE FOR A MEDICARE-ELIGIBLE INDIVIDUAL.....	20
ENTERING MORE THAN 2 PLANS (PAPER APPLICATION)	20

REGISTRY RECORD - PART 3: EMPLOYEE..... 21

EMPLOYEE WAGES 21
WAGES OF OWNERS AND SPOUSES ARE BASED ON ADJUSTED GROSS INCOME 22
EXECUTIVE DIRECTOR OF A NON-PROFIT ENTITY 22
ELIGIBLE FOR FULL SUBSIDY FOR DEPENDENT COVERAGE? 23
PREVIOUS INSURANCE (LAST 3 MONTHS)..... 23
TYPE OF COVERAGE 24
EFFECTIVE DATES OF COVERAGE 24

THE REGISTRY – PART 4: Submitting the Application 24

THE “SUBMIT” BUTTON 24
THE “UNLOCK” BUTTON..... 25

RENEWAL APPLICATION PROCESS 26

THE REGISTRY – RENEWING AN ENROLLED EMPLOYER 26
ENROLLING EMPLOYERS WHO CHANGE CARRIERS AT RENEWAL 27
ENROLLING EMPLOYERS WHO CHANGE THE TPA AT RENEWAL 28
BUSINESSES THAT DO NOT RENEW THE SUBSIDY 28

INTERPRETING THE REGISTRY PRINTOUT 28

OTHER ISSUES 30

PAYMENT OF THE SUBSIDY FOR GROUPS ENTERED AFTER THE 16TH OF THE MONTH..... 30
ACCOUNTING REQUIREMENTS..... 30
REPORTING OF DELINQUENT PAYMENTS 30
USE OF THE PARTNERSHIP LOGO 30

EMPLOYER ELIGIBILITY

Eligibility Based on Size: Counting Eligible Employees

Any employee who works on a full-time basis and has a normal work week of at least 30 hours **must be listed in Part II of the Employer Application and must be counted as an eligible employee** in determining the size of the business.

Owners, owner’s spouses, or partners who work at least 30 hours a week in the business must be listed in Part II of the Employer Application and must be counted as an eligible employee in determining the size of the business.

Independent contractors who work at least 30 hours a week at the business and whom the employer elects to make eligible to participate in the health plan must be listed in Part II of the Employer Application and must be counted as an eligible employee in determining the size of the business.

Temporary, part-time, seasonal or substitute employees are not eligible employees.

Please note that:

- the number of eligible employees is determined only at initial entry, renewal, and any mid-year recalculation of premium required by the carrier, and
- an employer that was eligible at entry or renewal remains eligible during the remainder of the policy year, unless the carrier requires a recalculation of the premium, in which case both the number of employees and the average wage of the firm are redetermined in order to establish eligibility based on size of business and maximum subsidy amounts based on average wages.

Eligibility Based on Size: Businesses with One Employee

A business with only one “eligible employee” at initial entry – that is, only one employee working at least 30 a week on a regular basis - is not eligible to participate in the Partnership program.

A group that was eligible on initial entry but that has only one eligible employee either

- at the time of submitting the renewal application or
- on a majority of days during the calendar quarter preceding the renewal application

would cease to be eligible for participation in the Partnership on the renewal date.

Employer Eligibility Based on Participation Rate: Groups of One

A **group of one** is different than a business with only one eligible employee. An employer with more than one eligible employee but with only one employee electing health insurance coverage may nonetheless meet the carrier's participation rate requirement and receive a subsidy under the Partnership program. In determining whether an employer meets the required participation rate, carriers may not consider as eligible employees those who have:

- Group spousal coverage under a public or private plan of health insurance, or
- A health benefit arrangement through another employer that provides benefits similar to or exceeding the benefits under the standard plan, including Medicare, Medicaid, and Champus.

(Revised Life and Health Bulletin 00-12, issued June 14, 2000 by the Maryland Insurance Administration).

Please note that the use of "eligible employees" in determining participation rates is different than the definition of "eligible employees" used to determine whether the employer participates in the Small Group Market and the Health Insurance Partnership. The MIA Bulletin 00-12b (<http://www.mdinsurance.state.md.us/sa/documents/00-12b.pdf>) speaks directly to this point:

- Employer A has 5 full-time employees. Four of the employees have health benefit plans through their spouses. The fifth employee wishes to purchase the standard plan. Under the previous rule and the new rule, the fifth employee (a one-life group) represents 100% participation, and a small group carrier must issue its plan to the fifth employee.

Please note also that owners, partners, or employees who plan to continue coverage under a policy purchased in the non-group market **are** counted as non-participating eligible employees in determining the participation rate.

No Employer-Sponsored Group Coverage During the Past Year

Following review of the statutory language, we have determined that only CSHBP policies, sold with or without riders, will count as previous coverage. So, if a business moves from PA to MD and was covered by a PA insurer, that would be considered non-CSHBP coverage so the employer could be eligible for the subsidy if it meets all other employer eligibility requirements established in the Partnership regulations. As another example, if coverage is provided through certain association plans not subject to CSHBP regulation, this too would be considered non-CSHBP coverage so the employer could be eligible for the subsidy if it meets all other employer eligibility requirements established in the Partnership regulations.

Maryland Employer

To be considered an eligible employer for the Partnership, a majority of the employees of the small employer must be employed in Maryland (Insurance Article § 15-1203, Annotated Code of Maryland).

Employers Relocating Out of a Carrier’s Licensed Service Area

Several years ago, the MIA issued a Portability Directive that prohibited carriers from terminating an eligible group when they relocated outside of the carrier’s licensed service area as long as the group or member had continuing access to benefits. Although the carrier must offer continued coverage, whether the business remains eligible for the Partnership program depends on whether the employer has moved out of state. To be considered an eligible employer for the Partnership, a small employer must first meet the provision of a “small employer” under Insurance Article § 15-1203, Annotated Code of Maryland, which states that a majority of the employees are employed in Maryland.

HEALTH PLANS ELIGIBLE FOR A SUBSIDY

All products sold under the Health Insurance Partnership must meet the requirements of the Comprehensive Standard Health Benefit Program (CSHBP) regulations (COMAR 31.11.06) and the requirements of the wellness benefit regulations (COMAR 31.11.14). Only medical and prescription drug coverage is subsidized – other benefits, such as dental and vision plans, are not eligible for a subsidy under the Partnership.

The Wellness Benefit

The law establishing the Partnership required a wellness benefit be part of all plans receiving a subsidy. Assuring that a qualifying wellness benefit is included in each plan offered is the responsibility of the carrier. A qualifying wellness benefit includes: the offer of a health risk assessment (HRA) to all participants, written feedback from the carrier based on the HRA, and the provision of a financial incentive for prevention, health promotion, or disease management.

If a separate premium is charged for a wellness benefit rider, that premium is counted as part of the total premium eligible for a subsidy.

SECTION 125 PLANS

The legislation establishing the Partnership requires that employers receiving a subsidy establish a Premium Only Plan under Section 125 of the Internal Revenue Code (also known as a “POP” plan or a premium conversion plan). A Premium Only Plan allows

the employee to pay his or her share of the premium using pre-tax dollars. The employee share of the premium is excluded from income and never appears as taxable wages paid to the employee.

An employer receiving a subsidy commits to establish a Section 125 plan for the employees within 60 days of entering the Health Insurance Partnership. Brokers, TPAs, carriers, and the Commission's web site may be of help in establishing a qualifying plan document. After establishing a plan, no further reports are required by the IRS.

It is important to note that certain owners cannot themselves participate in a Section 125 plan, including self-employed persons, partners, LLC partners, and 2% or greater owners of an S corporation. Employees for whom the employer pays 100% of the health insurance premium also will not benefit from a Premium Only Plan.

MHCC will not impose a penalty on an employer for not establishing a Section 125 plan as long as every employee participating in the health plan is either:

- an owner who cannot, by law, participate in a Section 125 plan, or
- an employee for whom the employer pays 100% of the premium for the coverage chosen by the employee.

HEALTH SAVINGS ACCOUNTS (HSAs)

For consumer-directed policies with deductibles over \$1000 to work well for low wage employees, some employer contribution to the employee's HSA is important. Having funds already in the HSA helps assure that employees will seek needed care. Because consumer-directed plans are frequently sold in the small group market, the Governor and the General Assembly wanted to encourage employer contributions to the employee's HSA by subsidizing those contributions. Therefore, employer contributions to an employee's HSA are treated as additional premium contributions by the employer for purposes of calculating the subsidy. (Please refer to Regulation .11 "Calculation of the Premium Subsidy" or the enabling legislation under §15-12A-04).

Because employer contributions to the HSA and employee contributions to premium are subsidized while employee contributions to the HSA are not, **both the amount of the subsidy and the benefit to the employee can often be improved if the employer makes a monthly contribution to the HSA while the employee picks up a monthly share of the premium.**

The alternative is for the employer to pay a larger share of the premium, leaving the full deductible amount to be borne by the employee when care is needed. This option exposes participants to substantial out-of-pocket costs that may deter seeking timely medical care. This is not an optimal insurance design, particularly for low-wage employees.

If the Total Subsidy is Greater Than the Total (Unsubsidized) Premium

Because both the premium and the employer's HSA contribution are subsidized and the subsidy for both is delivered through a reduction in the employer's monthly premium payment to the carrier, it is theoretically possible for the subsidy paid to the employer to be greater than the full cost of the insurance. In virtually all cases, that will not happen. However, in the unlikely event that the employer's contribution to the employee's HSA is larger than the total (unsubsidized) premium, net monthly premium payment billed to the employer by the carrier would be a negative number, and the employer would receive a monthly check from the carrier for that amount.

- Example: Assume the employer's average annual wage is \$22000, the premium is \$1900, and the employer contributes \$2000 to the HSA of any employee with a qualifying plan and an HSA. The total amount upon which the subsidy is calculated is \$3900, allowing a subsidy of \$1950 for an employer with 2 to 9 employees and an average annual wage less than \$25,000. The carrier owes the employer \$50 a year (premium of \$1900 less the subsidy of \$1950).

HSAs: Auditing and the Use of the Required Financial Institution

MHCC will audit all HSAs to ensure that the employer makes the promised and subsidized payments to the employee's HSA.

In order to facilitate both employer contributions to HSAs and Commission auditing to assure that those promised and subsidized contributions have been made, all HSAs receiving a subsidized employer contribution must be maintained at the financial institution designated by the carrier. The Employee Subsidy Application contains language permitting the financial institution to release information to the Commission about contributions to the employee's HSA in order to conduct the audit.

Employees are free to keep the HSA in a different financial institution. However, if they do that, employer contributions to the HSA **will not** receive a subsidy. Note that a separate health plan with a separate code/description must be added to the Registry for these employees. The employer contributions to that health plan must show the employer contribution to the HSA as \$0.

Employer Contributions to the HSAs of Certain Owners

Small businesses cannot themselves make contributions to the HSAs of certain types of owners (generally, the same owners who cannot participate in the employer's Section 125 plan: self-employed persons, partners, LLC partners, and 2% or greater owners of an S corporation) because these owners are not allowed to take pre-tax benefits. Instead, these owners have to take the income, be taxed, deposit the money in their own HSAs, and then take an above-the-line deduction on their personal income tax returns.

Tremendous accounting problems for the Partnership and the carriers would arise from creating different subsidies and different net premiums for identical plans and types of coverage, depending on the type of “employee.” Fortunately, our regulatory approach allows us to regard these after-tax HSA contributions of personal income by these owners as employer contributions, in the same way that HSA contributions paid by these same owners for their other employees are treated, subsidizing both equally. Subsidized premiums for each participant for each type of coverage thus remain the same.

A corollary of this approach is that the owner, who has committed to making a specific annual contribution to all other employees’ HSAs, must then commit to making the same contribution to his or her own HSA. Any additional contributions by the owner to his or her own HSA are not matched by any subsidy, just as other employee contributions are not matched.

In short, no change in the Registry entries is necessary to deal with this situation. However, the affected owners should understand that they must establish HSAs with the carrier’s financial institution and will be audited to assure that they have contributed at least the amount for which a subsidy has been paid.

Employer Contributions to the HSAs of Medicare-Eligible Individuals

Neither employers nor employees can contribute to an HSA held by a Medicare-eligible individual. Medicare-eligible employees will likely be treated differently anyway, in many cases paying a different premium and receiving a different employer contribution and subsidy. Please see the general section on MEDICARE-ELIGIBLE INDIVIDUALS COVERED UNDER THE EMPLOYER’S PLAN.

Health Reimbursement Arrangements (HRAs)

Employers are free to set up HRAs for their employees but HRA funds will not be subsidized because these are virtual accounts with funds that are not actually paid by the employer until health care expenditures occur. The authorizing legislation only allow the subsidization of amounts actually paid into an employee’s HSA by the employer.

MAKING CHANGES TO THE EMPLOYER RECORD BEFORE THE FIRST SUBSIDY PAYMENT REQUEST IS GENERATED

If an error is made in entering the application data or a change is required for some other reason, the Subsidy Administrator or carrier can unlock the record by **using the “Unlock” button in Section IV of the application.** The button is available from the time of submission until the first subsidy payment request is generated. This payment request will usually be generated on the 16th of the month, or the first business day thereafter if the 16th is a weekend day or a holiday.

Note: **After any unlock, the employer's application must be resubmitted.** If the submit button is not pressed after the changes are made, the application is treated as inactive and still in process. No subsidy has been claimed, and none will be paid.

**MAKING CHANGES TO THE EMPLOYER RECORD AFTER THE FIRST
SUBSIDY PAYMENT REQUEST HAS BEEN GENERATED**

Adding Employees

The Regulations provide that:

A newly-hired eligible employee of an enrolled employer, an employee who becomes an eligible employee during the policy year, or an eligible employee who qualifies for a special enrollment under 29 U.S.C. §1181(f) is eligible to be enrolled in the Health Insurance Partnership during the policy year under the terms established at the beginning of the policy year, unless either:

- (1) The carrier recalculates premiums charged to the enrolled employer; or
- (2) The Partnership is closed to registration of additional employees of enrolled employers under Regulation .19.

The Partnership follows the carrier's determination of whether a given individual is eligible to enroll or change type of coverage. The Partnership also follows the carrier's determination of whether the premium (and thus the subsidy) must be recalculated because of substantial changes in the group's composition early in the policy year.

Adding Newly Hired and Newly Eligible Employees

Coverage for newly hired and newly eligible employees **must begin on the first day of the employer's coverage month** (that is, the 1st or the 16th of the calendar month). A newly hired or newly eligible employee must complete the Newly Hired/Newly Eligible Employee Subsidy Application available on the Partnership web site. If the employee wishes to claim a subsidy for coverage of dependents, the income affirmation on the Newly Hired/Newly Eligible Employee Subsidy Application must be completed. No affirmation by the employer or the producer is required. This application may be faxed or mailed to the Subsidy Administrator. The Subsidy Administrator adds the employee to the policy and enters the employee in the Registry using the **"Add Employee" button**.

NOTE: If the carrier determines that the composition of the group has changed substantially and the premium must be recalculated, a different procedure must be followed, as outlined below.

The Commission requests entry of all coverage changes at the earliest opportunity, but has made provisions for the entry of retroactive effective dates of coverage. Therefore, when an eligible employee is added to a policy, the employee must be added to the Registry at the same time so that the subsidized portion of the premium is captured.

Special Enrollment of Non-Participants Following HIPAA-qualifying Events

If the carrier determines that an employee may change coverage during the policy year under the provisions of HIPAA, and **the employee was not enrolled in the Partnership prior to the HIPAA qualifying event**, the employee must complete the Newly Hired/Newly Eligible Employee Subsidy Application. If the employee wishes to claim a subsidy for coverage of dependents, the income affirmation on the Newly Hired/Newly Eligible Employee Subsidy Application must be completed. No affirmation by the employer or the producer is required. This application should be marked **“HIPAA Special Enrollment,”** it must indicate the qualifying event, then faxed or mailed to the Subsidy Administrator. The Subsidy Administrator then adds the employee to the policy and enters the employee in the Registry using the **“Add Employee” button**.

Change in Coverage for Current Participants Following HIPAA-qualifying Events

If the carrier determines that an employee may change coverage during the policy year under the provisions of HIPAA, and **the employee was enrolled in the Partnership prior to the HIPAA qualifying event**, the change is most easily accomplished in the Registry as follows:

- select the employee’s record and, if the event is a change in coverage, change the coverage type using the drop down box; and
- click on the “Update” button to enter the same employee’s new coverage.

The information from the original Employer Subsidy Application and Employee Subsidy Application may be used for a change of coverage. However, if the employee now wishes to claim a subsidy for dependent coverage and did not complete an affidavit of family income on the previous Employee Subsidy Application, the employee must now complete a Newly Hired/Newly Eligible Employee Subsidy Application available on the Partnership web site, signing both the Application and the family income affidavit on Page 1 of the application. This application should be marked **“HIPAA Special Enrollment,”** it must indicate the qualifying event, then faxed or mailed to the Subsidy Administrator.

Effective Date of Coverage Following HIPAA-qualifying Events

The **effective date** of a coverage change is either the date of the change of eligibility or the first day of a coverage month immediately thereafter. For most HIPAA-qualifying special enrollments, beginning of month change of coverage is preferred but not required. For births, a mid-month change of coverage is expected. Prorated subsidy payments

proportional to the prorated premium payments will be calculated and paid to the carrier in proportion to the number of days the employee held each type of coverage.

The Commission requests entry of all coverage changes at the earliest opportunity, but has made provisions for the entry of retroactive effective dates of coverage. When an eligible employee is added to a policy, the employee must be added to the Registry at the same time so that the subsidized portion of the premium is captured.

Change in Coverage Because an Employee Becomes Medicare Eligible

If the list of employer plans already includes a Medicare-coordinated version of an existing plan with defined employer contributions to premium (and no contribution to an HSA), simply terminate the employee's existing registration as of the effective date of the change (the first of the month) and enter the employee's new coverage effective the same date.

If the Medicare-coordinated version of an existing plan has not been included in the employer's list of plan offerings, it must be added to the list, together with the premiums and the employer's contributions to premium. No HSA contributions are allowed. Contact the Commission in order to add the plan to the list. After adding the plan, follow the directions in the previous paragraph.

Termination of an Employee's Coverage

When an employee's coverage is terminated but the employer's plan remains in effect, the termination is recorded by entering the date of termination in the employee's record. The date of termination should be the last day of a policy month.

The Commission strongly prefers that the carrier follow a policy that the premium is fully earned for the entire month during which the cancellation is received, and that no pro rata refunds of earned premium be provided. The subsidy for the month is earned only if the full payment for that month of the employee's coverage is received by the carrier and not subsequently refunded in whole or in part.

Note: This section does not apply to a change in employee coverage, which may be entered in the Registry as the simultaneous termination of the previous coverage and the initiation of the changed coverage. In some circumstances, such as the addition of family coverage due to a birth, coverage can change mid-month and a pro rata adjustment will be made.

Changes in the Employer's Choice of Plans or Employer Contributions

Changing the employer's choice of plans or the employer contributions toward premium or HSA is a more substantive change than a mere addition of an employee or addition of dependent coverage for an employee. **Changes in plan choice or contributions during**

the time from initial submission to the date the first request for premium subsidy payment is generated can be handled by the Subsidy Administrator by unlocking the employer record using the “Unlock” button, making the necessary changes, and resubmitting the application.

Changes in plan choice or contributions after the date the first premium subsidy payment request is generated should be a very rare event and will be treated as a mid-year renewal.

- **If the change results from carrier error**, the carrier will have to contact the MHCC to initiate a mid-year renewal. When the changes are completed and resubmitted, the subsidies are all recalculated, and the previous registration is terminated.
- **If the change results from the employer changing his or her decision about coverage**, this will be treated just like a mid-year request to switch carriers. The employer must send a written request to the Commission explaining the reason for the change and requesting that the application be unlocked to allow a change in coverage. Approval is **not** automatic; the Commission strongly discourages such changes in coverage. If the request is approved, when the changes are completed and resubmitted, the subsidies are all recalculated, and the old application is terminated.

Premium Recalculations by the Carrier After Submission

Carriers should follow their own business practices regarding premium recalculation during a policy year. If the carrier decides that premiums should be recalculated because of a substantial change in the composition of the group or for some other reason, the changes are handled as above:

- Until the first request for premium subsidy payment is generated, the Subsidy Administrator can unlock the record using the “Unlock” button, make the necessary changes, and resubmit the application.
- Thereafter, the change is treated as a mid-year renewal. The employer and employee information is entirely updated, the average wage is recalculated, new premium amounts and employer contributions are entered, and the renewal is submitted.

TERMINATING EMPLOYER COVERAGE

If the employer decides not to sponsor a plan or the carrier decides not to offer coverage before the effective date of the coverage, then:

- If the Subsidy Administrator has not formally submitted the entry into the Registry, no further action is necessary.

- If the application has been submitted but the “Unlock” button still appears on the record because the first subsidy payment request has not been generated, the Subsidy Administrator can simply unlock the record.
- If the first payment request has been generated, the termination must be entered in the Registry together with a termination date. If the coverage is cancelled prior to the effective date of coverage, the effective date of coverage should be entered as the termination date. If the coverage has gone into effect, the Subsidy Administrator should enter the date of termination in the employer record. Generally, this will be the end of a policy month.
- Retroactive termination dates can be entered.

The Commission strongly prefers that the carrier follow a policy that the premium is fully earned for the entire month during which the cancellation is received, and that no pro rata refunds of earned premium be provided. The subsidy for the month is earned only if the full employer payment for that month of coverage is received by the carrier and not subsequently refunded in whole or in part.

CALCULATION OF THE SUBSIDY AMOUNTS

The **maximum subsidy amount for each type of coverage** is determined based on the average annual wage of the business (and at renewal, the number of eligible employees in the firm), using the published Maximum Subsidy Table.

Then, the **subsidy payable for each plan and type of coverage** within the plan is determined by taking the premium charged for that plan/type of coverage and, if the plan is an HSA-compatible plan, adding any employer contribution to the employee’s HSA. 50% of that figure is taken. If that amount is less than the maximum subsidy, that amount is the subsidy. If that amount is greater than the maximum subsidy, the maximum subsidy is the subsidy.

In most cases, the **employer subsidy** for that plan and type of coverage is the full subsidy multiplied by the employer’s total contribution (referred to in the Registry as “premium” but, in fact, including both employer contribution to premium and employer contribution to the HSA) and divided by the plan premium plus the employer’s contribution to the HSA. The employee subsidy is the total subsidy less the employer subsidy. These figures are found in Part II of the Registry.

However, **when the employee chooses other than individual coverage but is not eligible for a subsidy for dependent coverage:**

- the total subsidy is limited to the subsidy for employee-only coverage, and
- the employer subsidy is based on the employer share of the cost of coverage for the other than individual coverage chosen.

Thus, the **employer subsidy** for the coverage chosen equals the subsidy for employee-only coverage multiplied by the employer contributions (employer premium contribution plus employer HSA contribution) divided by the total contributions (premium plus the employer's HSA contribution). As a shortcut, the subsidy for employee-only coverage can be multiplied by the employer subsidy for the coverage chosen divided by the total subsidy for the coverage chosen. These figures are not reflected in Part II of the Registry, but are shown for each affected employee in Part III of the Registry.

ANNUAL CHANGES IN THE SUBSIDY TABLE

Once a year, on a schedule to be determined, the Commission will publish adjusted subsidy tables at least 60 days in advance of the effective date of the new subsidy table. When entering data into the Subsidy Calculator on the Partnership web site, producers should be sure to choose the subsidy table that will be in effect at the time of renewal as the basis for the subsidy calculations.

FALSIFICATION OF INFORMATION

If a group is found to have falsified information on the application/affirmation, the group will be subject to the penalties under Regulation .21 and the Subsidy Administrator will be notified. MHCC will notify the employer, the Subsidy Administrator and the participating carrier by letter if it determines that false or incorrect information was entered into the Registry. The letter will include an initial decision about the employer group's continued participation in the Health Insurance Partnership.

THE REGISTRY – GENERAL INFORMATION

Registry Support

For technical issues with the Registry, forward an email with appropriate screenshots, if possible, of the error message to:

Janet Ennis
Maryland Health Care Commission
jennis@mhcc.state.md.us

General questions pertaining to the registry application process also should be directed to Ms. Ennis.

Changes to the Registry Web Site and Database

If any changes are made to the actual Registry site, the Registry training site, or the registry application process, all appropriate parties will be notified immediately.

A Note about Required Fields

Almost all fields in the Registry are programmed to require an entry. Where no entry is appropriate, the drop-down box may include the “NA” option. The following fields are not required:

Employer Section:

Fax Number

Employee Section:

Quarterly Wage Report (If the employee did not appear on the most recent quarterly wage report, enter the number “0”.)

Employee Middle Initial

Subscriber Number

Employer Identifiers

The key identifier fields for matching and for retrieval will be the employer’s federal tax ID, the employer’s registration number, and the employee’s social security number.

The employer registration number will allow the carrier or Subsidy Administrator to enter an identification number to assist in matching the monthly Registry reports with the carrier’s or Subsidy Administrator’s own eligibility and billing files.

THE REGISTRY - LOGGING ON

Logging on as the CARRIER

The carrier user IDs are the email addresses of the individuals authorized by the carrier.

The Commission issues a unique password for each ID. To log on:

- Carrier = the carrier’s name from the drop down box
- TPA = “I am the carrier” selection from the drop down box
- User ID = The user’s email address
- Password = the password assigned by the Commission.

A screenshot of a login form. The form has four fields: 'CARRIER' with a dropdown menu showing 'MHCC Test Carrier', 'TPA' with a dropdown menu showing 'I am the Carrier', 'USER ID' with a text box containing 'JQA@MHCC.STATE.MD.US', and 'PASSWORD' with a masked field of ten dots. Below the fields is a blue 'LOGON' button. The background features a watermark logo with the text 'Small Business, Big Benefits'.

When logged on as the Carrier, the user has the following rights:

- modify the list of health plans that are eligible to receive a subsidy, and
- produce reports on the carrier's book of Partnership business.

Logging on as a TPA / Subsidy Administrator

Each User must log on with a specific combination of Carrier, TPA, User ID, and password, as follows:

- Carrier = the carrier's name from the drop down box
- TPA = the TPA or Subsidy Administrator's name from the drop down box
- User ID = The user's email address
- Password = the password assigned by the Commission for that User acting on behalf of that Carrier.

Logging on to the Registry with the Status of a TPA

A screenshot of a login form. The form has four fields: 'CARRIER' with a dropdown menu showing 'MHCC Test Carrier', 'TPA' with a dropdown menu showing 'MHCC Test TPA', 'USER ID' with a text box containing 'JQA@MHCC.STATE.MD.US', and 'PASSWORD' with a masked field of ten dots. Below the fields is a blue 'LOGON' button. The background features a watermark logo with the text 'Small Business, Big Benefits'.

In that session, the User will be able to add to or edit information about that specific carrier's enrollees who were entered by that specific TPA/Subsidy Administrator. When logged on as the TPA, the User has the following rights:

- Register employers and enter enrollment information from the employer and employee applications
- Submit the application to the Registry for enrollment

- Add coverage for employees, change coverage for existing employees, and terminate employee coverage.

If a TPA represents several carriers, the User ID will always be the individual's e-mail address, but the User's password will be different when acting on behalf of each carrier.

To enter information on behalf of a different carrier, the User must log out and log back on using the new Carrier, the same TPA entry, the same User ID, and a different password associated with that Carrier. The TPA will not be able to view the TPA's entire book of business across all carriers from a single logon.

A carrier can request TPA rights for its own employees, for use when the carrier enrolls and registers some employers or performs other administrative tasks after initial enrollment. Carriers performing all administrative functions after the initial enrollment and registration will receive user codes allowing administrative access to the carrier's entire book of business. Their Users will log on as follows:

- Carrier = the carrier's name from the drop down box
- TPA = "[carrier] TPA" from the drop down box
- User ID = The User's email address
- Password = the password assigned by the Commission for that User acting on behalf of that Carrier.

Logon IDs for individuals responsible for entry of data into the Registry should be deleted by notifying Valerie Wooding (vwooding@mhcc.state.md.us) when that person leaves the TPA or the carrier.

REGISTRY – MAIN PAGE

The User may either enter a new employer or open the record of an existing employer.

Start New Employer Registration

To start a new employer registration, the Registration Year should be entered from the drop down box and the employer's Federal EIN should be entered in the appropriate boxes. **The Federal EIN must be entered correctly.** It is the primary identification field used by the Registry.

- Duplicate EINs may exist in the database at any one time because different producers may have different TPAs providing quotes, each of whom has registered the employer. However, for a given plan year, only one of these employer registrations will actually be "submitted" by a Subsidy Administrator.

- Before a Subsidy Administrator may submit a registration, the Subsidy Administrator must have in hand a binder check from the employer for the initial premium payment less the subsidy.
- An attempt to submit a registration for a previously registered employer will be denied, and an error message will appear.

[< RETURN TO LOGON](#)

EMPLOYER REGISTRATION LIST

Carrier:	MHCC Test Carrier
Carrier's Financial Agent:	MHCC Test TPA
User ID	bsteffen

START NEW EMPLOYER REGISTRATION

Registration Year Federal EIN

Current - Start New Employer Registration

REGISTERED EMPLOYERS

Subsidy Year Current

Please start entering employers by pressing [Start New Employer Registration] button above.

Registered Employers

The list of Registered Employers shows basic information about each employer for whom Part I was completed (“registered”), regardless of whether a completed application was actually **submitted** to request the subsidy. **Having a Registration Number does not mean that the application has been submitted and a subsidy approved.** Before submission, the employer record can be freely edited.

At the time of submission, the employer entry is “**locked**” and the column titled “Submitted” shows a check mark for the employer. Key information such as the average wage and size of the employer, the plans and premiums, and the subsidy amounts cannot be changed without “unlocking” the employer record or performing a “mid-year renewal” as described below.

Health Insurance Partnership REGISTRY MANUAL

REGISTERED EMPLOYERS

Subsidy Year Current

Employer Registration													
Links	Carrier	TPA	REGNO	REGNO	Company	EIN	Submitted	Submission Date	Coverage Effective Date	Terminated	Terminate Date	Renewed	Renewed Date
Select	Test Health Insurance	MHCC Test TPA	59	2008	Eat at Joe's	52-6666666	<input checked="" type="checkbox"/>	9/12/2008	10/1/2008	<input type="checkbox"/>		<input type="checkbox"/>	
Select	Test Health Insurance	MHCC Test TPA	62	2008	Mayer Tree Trimming	52-1234555	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>	
Select	Test Health Insurance	MHCC Test TPA	48	2008	Test Company	12-0000001	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>	

If the employer's coverage has been terminated, a check mark appears in the column titled "Terminated" and the date of termination is shown on the record. If participation in the Partnership was renewed, a check mark is shown in that column and the date of renewal is shown.

REGISTRY RECORD – PART 1: EMPLOYER

Registration Number:	Registration Date: 10/9/2008 Effective Coverage Date:	Year of Registration: 2008
STATUS: NEW		
Broker ID: 12345667	Brokerage: Badger Brokers of Baltimore	
1. Federal and Maryland Employer Identification Numbers		
Federal Employer Identification Number (EIN)	22 - -123344	
Maryland Central Registration Number	60121233	
2 Employer Address		
Employer Name	Lyons Auto Repair	
Street Address	1234 Highland Road	
Street Address (2)		
City	Odenton	
State	Maryland ▼	
Zipcode	21671	
3. Contact		
First Name	Daniel	
Last Name	Lyons	
Telephone	301-651-2345	
Fax		
Email	dlyons@lyonsauto.com	
Verify Email	dyons@lyonsauto.com	
Add Employer		

Broker (Producer/Agent) ID

The Broker ID is the number assigned to the individual producer by the Maryland Insurance Administration.

Maryland Central Registration Number (MCRN)

This is the 8-digit number assigned to the business by the State. If the business is not required to file quarterly wage reports with DLLR and therefore does not have a MCRN, enter “NA.”

Name

Enter the name of the business, together with any trading name (d/b/a).

Contact

The contact should be the owner who is acting on behalf of the company in signing the applications for both the insurance and the Partnership.

“Add Employer”

When “Add Employer” is pressed, a Registration Number is assigned. The assignment of a Registration Number is the first step toward submission of an application.

REGISTRY RECORD – PART 2: POLICIES

Enter the information from Part 1A of the hardcopy Employer Subsidy Application, found at the bottom of the first page. Additional policies beyond the first two will be submitted on a hardcopy Supplemental Part 1A Form.

This section of the Registry will often be one of the later sections of the application to be completed, since it requires information about not only the policies that are offered to the employees, but also the premiums and the employer’s contribution toward the premium and toward the HSA (if any). Before the record is submitted and locked, information can be entered in a “what-if” mode to generate premium and subsidy summaries. Before submitting the Partnership application, the full list of possible policies that may be chosen during the year must be completed, and the premiums and employer contributions must be entered for each of the policies.

Employer Contributions

All premiums and employer contributions are entered as **annual** amounts.

The employer contributions may vary by policy and by coverage type. For example, Smith Landscaping decides to pay 50% of the \$4500 premium for employee only coverage for the BCBS Small Business Basic policy. Smith has two options:

- **Enter all employer premium contributions to this policy as percentages**, clicking the appropriate choice and then entering “50” in the Employee-Only box, and appropriate percentages (50 or less) in the boxes for each of the other types of coverage: employee + child(ren), employee + spouse, and family coverage.
- **Enter all employer premium contributions to this policy as a dollar amount**, clicking the appropriate choice and then entering “\$2250” in the Employee-Only box, and appropriate amounts (\$2250 or more) in the boxes for each of the other types of coverage: employee + child(ren), employee + spouse, and family coverage.

Policy: ▼

HSA plan

\$ %

	ANNUAL PREMIUM (\$) (before subsidy)	Annual Employer Contribution to Premium * (before subsidy)	Annual Employer Contribution to HSA (\$) (before subsidy)
Employee	4500	50	
Employee/Children	6200	50	
Employee/Spouse	7000	50	
Family	12200	50	

* Enter % contribution as number > 0. Example 50 for 50%

The Registry application **does not accept** a mixture of percentages and dollars for different types of coverage on the same policy. While it is possible to use percentages for one policy and dollars for a different policy, that approach is likely to be confusing.

If the policy is HSA-compatible, **employer contributions to the employee’s HSA** for each type of coverage **must be entered in dollars**, as shown in the example below.

Policy **2** **Small Business Basic HSA**

HSA plan

\$ %

	ANNUAL PREMIUM (\$) (before subsidy)	Annual Employer Contribution to Premium * (before subsidy)	Annual Employer Contribution to HSA (\$) (before subsidy)
Employee	3000.00	50.00	1000.00
Employee/Children	5000.00	50.00	1000.00
Employee/Spouse	7000.00	50.00	1000.00
Family	120000.00	50.00	1000.00

* Enter % contribution as number > 0. Example 50 for 50%

< Return Update Policy

Delete

If Smith offers a second plan, Smith would generally begin by determining a premium contribution for employee-only coverage. It might be set equal to 50% of the premium for this second plan, or set at \$2250, matching contribution amounts across plans, or set at some other contribution amount. In the examples above, the employer contributes a total of \$2250 toward the Basic policy and \$2500 toward the Basic HSA policy (\$1500 to premium and \$1000 to the HSA).

In general, employers may find it easier to decide premium contributions across types of coverage and plans if dollar amounts are used throughout.

Entering a Plan Choice to Provide Coverage for a Medicare-Eligible Individual

If an employee is Medicare-eligible, wants subsidized coverage under the employer's policy, and there is a Medicare version of the plan approved for the wellness program rider, the Medicare version of the plan **must be entered** with the carrier's separate code **as if it were a separate plan**. The premium(s) for the Medicare-coordinated plan should be entered, together with the employer premium contribution. There can be no HSA contributions.

Entering More than 2 Plans (Paper Application)

If the employer offers more than two plans, use Supplemental Part 1A, found on the Subsidy Application Forms page of the Partnership web site, as part of the written application. In the Registry, simply add additional plans for the employer in Part 2.

REGISTRY RECORD - PART 3: EMPLOYEE

Employee Wages

“Employee Annual Wage,” as defined in the Partnership regulations, means, for a given eligible employee, the employee’s **estimated** annual earnings at the time of initial or renewal application, **including any salary, wages, commissions, profit sharing, bonuses, and reportable tips**. For purposes of the Partnership, this definition also includes income received from an employee’s ownership interest in the business, if the employee does not meet the 20% ownership rule that requires a different method of calculating annual wage.

If an employee receives income in the form of commissions, profit sharing, bonuses, or tips, these must be included in the reported wages. In reporting wages for these employees, an employer may estimate the hourly or weekly wage including this additional income. Alternatively, the employer may take a representative quarterly wage from the most recent Quarterly Wage Report (QWR) if the base pay and the average hours worked are similar and this additional income was included in the QWR.

Because of the statutory requirements relating to minimum wage, the wages reported for an employee should very rarely correspond to an hourly wage lower than the minimum wage.

- **NOTE:** Effective October 1, 2009, the Commission established a **minimum countable wage** to represent the minimum annual wage of each employee for purposes of calculating the group subsidy. Reported wages that are below this annual wage floor will be increased in the Registry to the minimum countable wage for purposes of calculating the average wage of the business and therefore calculating the subsidy amount. This minimum would apply to all eligible employees, including owners, partners, and spouses who may be employed at the business.

First name	Daniel
Middle Initial (Optional)	
Last Name	Lyons
SSN	212 - 21 - 1233
Date of Birth (m/d/yyyy)	09-23-1959
Employment Status	Owner
Employee Wages OR Owner/Spouse AGI	53000
Wage Period	Annual
Hours per Week	40
Wages from most recent Quarterly wage Report	12000
Eligible for Full Subsidy for Dependent Coverage?	YES - Family Income (AGI) < \$75,000
Previous Insurance (last 3 Months)-Employee	Not insured in past 3 months
Previous Insurance (last 3 Months)-Spouse	Not insured in past 3 months
Previous Insurance (last 3 Months)-Children	Not insured in past 3 months
Select Health Care Coverage Allow a pause after coverage is selected to refresh the form.	
Select Type of Coverage	Family
Select Plan chosen by Employee	Small Business Basic P
Effective Coverage Date * (m/d/yyyy)	10/1/2008
Total Number of Covered Lives	4
Subscriber Number (Optional)	

[< Return](#) [Add Employee](#)

Wages of Owners and Spouses Are Based on Adjusted Gross Income

Because the owners of a business receive income from the business in a wide variety of ways, the “wages” of owners, partners, and their spouses are calculated differently.

“Eligible Owner” is defined in the Partnership regulations as a person with a 20% or greater financial interest in a small employer who works at least 30 hours per week for that small employer. An eligible owner includes an eligible owner’s spouse who works at least 30 hours per week for the small employer.

Executive Director of a Non-Profit Entity

Beginning October 1, 2009, an Executive Director of a non-profit entity who works at least 30 hours per week for the small employer also will be treated as an owner for purposes of calculating the average wage of the business and determining the subsidy for the business.

For purposes of calculating the average wage of the business and determining the subsidy for the business, in reporting the annual wages of an eligible owner or spouse, **enter the lower of:**

- a. **\$60,000** (which is the current figure for the “eligible owner’s countable wage” - defined in the Partnership regulations as the amount currently published by the Commission that is used to calculate the average wage of a small employer); **OR**
- b. **the “eligible owner’s adjusted gross income”** from the eligible owner’s most recently filed federal income tax return.

Directions for calculating the eligible owner’s AGI are found in Part II of the Employer Subsidy Application.

The wages entered for an owner, a partner, or an owner’s or partner’s spouse **must always be an annual figure** and can never be a calculated figure. For owners and spouses, the Registry will not accept wages based on any period other than “annual.” One of the two amounts described above **must be entered in Part II** of the Employer Subsidy Application and **must be input on Part 3** of the Registry. If the reported AGI is used and that figure is less than or equal to \$0, enter “0” under “Employee Wages OR Owner/Spouse AGI” on Part 3 of the Registry.

If the “annual wages” are greater than \$60,000, the Registry automatically counts only the first \$60,000 of “annual wages” when calculating the average annual wage of the business. This “cap” or “trim” of the owner’s wages helps assure that the employees in low wage businesses will be eligible for a subsidy even if the owner has a comparatively high income from the business.

Eligible for Full Subsidy for Dependent Coverage?

The producer should have entered “yes” in this box **only if** the employee signed the family income affidavit at the bottom of the first page of either the Employee Subsidy Application or the Newly Hired/Newly Eligible Employee Subsidy Application.

Previous Insurance (Last 3 Months)

The producer takes this information from the second page of the Employee Subsidy Application and enters the code in the appropriate box in Part II of the Employer Subsidy Application. This information must be provided for the employee – and if dependents are covered, for the dependents.

If more than one box is checked in a column of the Employee Subsidy Application or if more than one number is entered in the box in Part II, **the first applicable coverage (the lowest code number) should be entered in the Registry.**

If the application is for employee-only coverage, enter “**Not Applicable**” in the Registry for “Previous Insurance (last 3 Months)-Spouse” and for “Previous Insurance (last 3 Months) – Children.”

Type of Coverage

If the employee will participate in the group health insurance, enter the type of coverage selected. If the employee waives coverage, enter a “W.”

For an employee in a waiting period:

- **If the employee selects coverage in advance** and the carrier allows advance choice, the appropriate coverage and the future effective date of coverage for the employee may be entered in advance, if the carrier’s policies allow advance enrollment notification. Carriers may also require that producers simply enter a “W” and when the employee becomes eligible to participate, submit the usual enrollment and registration information.
- **Otherwise, the “W” code for “Waived or in Waiting period” should be entered.** Calculation of subsidies does not depend on whether the uncovered employee has waived or is in the waiting period.

Effective Dates of Coverage

Effective date of coverage for newly hired and newly eligible employees should be the 1st (or 15th) of the month.

For HIPAA special enrollment events such as a birth requiring the addition of child coverage, the change in coverage may begin on a specific day.

THE REGISTRY – PART 4: Submitting the Application

The “Submit” Button

Before the Subsidy Administrator submits the information for an employer group to the Registry and receives a Registration number from the Registry, the employer must have completed and signed both the MHCC’s premium subsidy application and the carrier’s group application and must have provided a binder check for the first month’s premium less the expected subsidy amount.

PART 4 - SUBMIT APPLICATION

Please Note - After you submit your application:
1. Your average wages will be locked. No new policies will be added.
2. You will not be able to add new employees unless their hire date is after the submittal date. Existing employees may be updated, including termination.
3. The agent must certify in writing that the employer has attested to the information provided on the application, and the agent has correctly entered the information.

116 Employer check in hand for this policy 11 / 1 / 2008 **Submit For Coverage**

Registration Number Coverage Effective Date

PRINT APPLICATION

You may view and print a print-friendly version of the application by selecting the link below.

[PRINT APPLICATION](#)

After successful submission, a check mark appears for the employer under “submitted” on the main page of the Registry. When the employer record is opened, the Status line at the top of the record will now read “ACTIVE” and an “Effective Date of Coverage” will appear. Finally, until the first subsidy payment request is generated for this employer’s coverage, there will be an “Unlock” button in Part 4, rather than the “Submit” button.

The “Unlock” Button

PART 4 - SUBMIT APPLICATION

Your application has been submitted! The subsidy amounts have been locked for this employer.

Unlock Application

PRINT APPLICATION

You may view and print a print-friendly version of the application by selecting the link below.

[PRINT APPLICATION](#)

If an error is made in entering the application data or a change is required for some other reason, the Subsidy Administrator or carrier can **unlock the record and make any necessary changes** by using the “Unlock” button in Part 4 of the Registry. The button is available until the first subsidy payment request is generated for this employer’s coverage. After an unlock procedure, the Status at the top of the employer record will again read “REGISTRATION” and there will be no “Effective Date of Coverage.” All information, exception the submission date, will be retained.

After any unlock, the employer’s application must be resubmitted in order to receive a subsidy. If the “Submit” button is not pressed after the changes are made, the application is treated as inactive and still in the registration process. No subsidy has been claimed, and none will be paid.

RENEWAL APPLICATION PROCESS

At renewal, the employer will be required to complete an Employer Subsidy Renewal Application available on the Partnership website. Previously non-participating employees who elect to participate, employees changing from employee-only coverage to other-than-individual-coverage, and employees continuing a subsidy for other-than-individual coverage must complete Employee Subsidy Renewal Applications.

The size and average annual wage of the business will be re-determined. If a group is determined ineligible at renewal based on the information being entered in the Registry, the Registry will not allow the renewal application to be processed.

The Registry – Renewing an Enrolled Employer

After logging on, select the group to be renewed from the Employer Registration List. Scroll down to the bottom of this page and select the **“Renew Employer Next Year”** button. You then will be asked if you are sure you want to renew this employer. After selecting “OK” the Registry will have assigned this group a new Registration Number for the renewal year. Select **“Click here to begin the renewal application.”** Update the employer’s information, (for example, change of address) under **Part 1**. Then select the **“Update Employer”** button.

Follow instructions for **Part 2: Policies, Part 3: Employee, and Part 4: Submitting Application** outlined on pages 18 through 24 of this manual; i.e., add or delete any policy choices that will change for the renewal year, terminate any employees who no longer work for the employer, add new employees, etc.

Select the **“Add Policy”** button if an employer elects to offer different or additional policies during the renewal year. Delete policies that will not be offered in the renewal year.

All policies selected during the prior year of enrollment will appear on the renewal application, along with the premiums from the prior year. **This information must be updated to reflect the premiums and HSA contributions for the renewal year.** Choose the **“Select”** button for each policy offered during the prior year of enrollment to update this information.

NOTE: Only certain employee information (name, social security number, date of birth) is carried over in the Registry from the prior year of enrollment to the renewal year.

Therefore, all employees currently enrolled must be selected in the Registry so that the following information can be updated for the renewal year:

- Employment Status (fulltime, owner, or spouse)
- Employee Wages OR Owner/Spouse AG
- Wage Period
- Hours per Week
- Wages from most recent Quarterly Wage Report
- Eligible for Full Subsidy for Dependent Coverage?
- Previous Insurance

Moreover, the information under “Select Health Care Coverage” also must be updated for each employee:

- Select Type of Coverage
- Select Plan chosen by Employee
- Effective Coverage Date
- Total Number of Covered Lives

After updating this information, select the “**Update Employee**” button.

After completing the fields in Part 4, select the “**Submit for Coverage**” button. If all fields have been completed correctly, you will receive a message stating, “Your application has been submitted! The subsidy amounts have been locked for this employer.”

Enrolling Employers Who Change Carriers at Renewal

If an employer already participating in the Partnership changes carriers at the time of renewal, the agent/broker must use the standard Subsidy Application forms from the Partnership website for this group as if the employer were enrolling in the program for the first time.

The Subsidy Administrator would log on to the Registry as the TPA for the new carrier and enter this employer as a new group for the new carrier. No action is required in the

Registry for the existing policy, which will automatically expire at the end of the current policy year.

NOTE: If an enrolled employer elects to change carriers at the time of renewal, and the business now employs more than 9 but no more than 19 full-time employees, the Subsidy Administrator must notify MHCC of this change. MHCC will adjust the Registry accordingly so that the new carrier/Subsidy Administrator can access the registration for this group, allowing the new carrier to treat this group as a renewal so that the business can continue receiving a subsidy.

Enrolling Employers Who Change the TPA at Renewal

If an enrolled employer renews its policy with the same carrier but through a different TPA, the carrier must make this adjustment in the Registry by logging on as the carrier and following the instructions under “**Employer Renewal – New TPA**” on the Carrier Administration page. Once the new TPA from the TPA dropdown box is selected, select the “**Renew Employer**” button. A notice will appear stating that a renewal registration has been issued and the renewal registration number will appear. At this point, the new TPA that is responsible for the renewal will now have access to the new registration to process the renewal. Only the carrier has access to the employer’s data under the prior registration number.

Businesses that do not Renew the Subsidy

If an enrolled employer does not meet the eligibility requirements at the time of renewal or, if the group elects not to renew the policy, the Subsidy Administration makes no changes in the Registry. The Registry includes an expiration date so that any policy that does not renew simply expires at the end of the policy year and the subsidy payments automatically cease.

INTERPRETING THE REGISTRY PRINTOUT

Three contributions to coverage are subsidized proportionately: the employer’s premium contribution, the employee’s premium contribution, and the employer’s HSA contribution. **All three subsidies are delivered as a reduction of the monthly premium amount billed to the employer by the carrier.**

The current version of the Registry includes both premium and HSA contributions in the “Contributions” figures. **For each individual employee listing**, there are three important figures:

- In the first column to the right of Coverage (beginning “Premium”), the amount in the bottom row is the **net monthly premium**: the amount that the employer sends to the carrier each month for that employee’s coverage.

- The difference between that net monthly premium amount and the monthly contribution amount just to its right is the **monthly HSA contribution** that the employer must send to the designated financial institution for deposit to the employee’s HSA . (If the employee has not chosen an HSA plan or if the employer makes no HSA contribution, these amounts will be the same, apart from differences of less than \$1 due to rounding).

Links	Employee	Wages	Annual Wage Qual. Wage	Coverage	Premium Mth Premium Net Mth Pm	Gross Contrib. Subsidy Net Contrib. Mth Contrib.	Employer Subsidy Annl Contrib. Mth Contrib.	Employee Subsidy Annl Premium Mth Premium	Avg	Terminated
Select	Shoeless J Jackson Owner 555-55-5555 1/1/1947	\$87,000.00 Annual (55.00 hr/wk)	\$87,000.00 \$60,000.00	Employee Employee Subsidy BCBC Small Business Basic HSA Cov Date:10/1/2008	\$2,800.00 \$233.33/mth \$1,800.00 \$150.00/mth	\$3,800.00 \$1,000.00 \$2,800.00/yr \$233.00/mth	\$842.11 \$157.89 \$2,357.89 \$196.00	\$157.89 \$442.11 \$37.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Select	Fran Kowalski Full-Time Employee 789-45-2344 4/4/1948	\$8.00 Hourly (34.00 hr/wk)	\$14,144.00 \$14,144.00	Family Full Subsidy BCBC Small Business Basic HSA Cov Date:10/1/2008	\$7,600.00 \$633.33/mth \$5,100.00 \$425.00/mth	\$8,600.00 \$2,500.00 \$6,100.00/yr \$508.00/mth	\$1,162.79 \$2,837.21 \$236.00	\$1,337.21 \$3,262.79 \$272.00	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Select	Marty Mark Full-Time Employee 676-67-6767 3/3/1985	\$32,000.00 Annual (36.00 hr/wk)	\$32,000.00 \$32,000.00	Employee Full Subsidy BCBC Small Business Basic HSA Cov Date:11/1/2008	\$2,800.00 \$233.33/mth \$1,800.00 \$150.00/mth	\$3,800.00 \$1,000.00 \$2,800.00/yr \$233.00/mth	\$842.11 \$157.89 \$2,357.89 \$196.00	\$157.89 \$442.11 \$37.00	<input type="checkbox"/>	<input type="checkbox"/>
Select	joey Jones Full-Time Employee 222-22-4232 12/12/1990	\$80,000.00 Annual (50.00 hr/wk)	\$80,000.00 \$80,000.00	Family Employee Subsidy BCBC Small Business Basic HSA Cov Date:11/11/2008	\$7,600.00 \$633.33/mth \$6,600.00 \$550.00/mth	\$8,600.00 \$1,000.00 \$7,600.00/yr \$633.00/mth	\$465.12 \$3,534.88 \$295.00	\$534.88 \$4,065.12 \$339.00	<input type="checkbox"/>	<input type="checkbox"/>
TOTALS FOR EMPLOYER										
	Contribution	Subsidy	Contribution Less Subsidy	Employer's Subsidy	Employer's Contribution Less Subsidy	Employee's Subsidy	Employee's Premium Less Subsidy			
Annual	24800	5500	19300	3312.13	11087.87	2187.87	8212.13			
Monthly	2067	458	1609	276	924	182	685			

- The last amount in that row, the **employee “mth premium”** is the amount withheld from the employee’s paycheck(s) each month. For weekly or biweekly withholding, use the employee “annl premium” directly above and divide by the number of pay periods in the year.

Each month, the employer sends the designated financial institution a check for the total of all of the employer HSA contributions, ignoring subsidy amounts, together with information about which accounts are credited with which amounts.

- The subsidy for the HSA contribution has already been received by the employer as an additional reduction in the premium payment for the month.
- Certain owners must make the HSA contribution to their own HSAs from personal, after-tax dollars, rather than from pre-tax dollars from their business account. Their HSA tax benefit is claimed later on their tax returns. See the section on EMPLOYER CONTRIBUTIONS TO THE HSAs OF CERTAIN OWNERS.

Each month, the carrier will bill the employer for the total premium due less the total subsidy.

- In the employer summary (“Totals for Employer”), the **premium due after the subsidy** equals the “Contribution Less Subsidy” amount, less the employer’s HSA contributions identified above.
 - If no HSA plan is selected, or if the employer makes no contribution to an HSA, the premium due after the subsidy is applied is the same as the “Contribution Less Subsidy” (ignoring small differences due to rounding).

OTHER ISSUES

Payment of the Subsidy for Groups Entered after the 16th of the month

On or shortly after the 16th of each month, the Commission will prepare a complete listing by Carrier and Subsidy Administrator of all subsidy payments expected for the following month’s coverage. Only employer records that have been submitted and locked will be considered. Based on this listing, subsidy payment requests will be forwarded to the Office of the Comptroller. (At the time this listing is generated, the “Unlock” button will be removed from all submitted employer records).

A carrier may choose to accept new and renewal carrier and Partnership applications up until the day before the effective date of coverage. However, if the new group is logged into the Registry between the 15th of the month and the date coverage begins, the subsidy for both the first and second month will be paid with the following month’s ACH transfer.

Accounting Requirements

Receipt and disbursement of subsidy funds must be accounted for separately by the Subsidy Administrators. Separate bank accounts, lock box accounts, and ACH transfers are not required.

Reporting of Delinquent Payments

The carrier’s Subsidy Administrator is expected to: 1) enter the date that coverage of an employer group or an individual employee is terminated, and 2) provide a monthly report to MHCC containing all payments received from employers, indicating which month the payment is for, together with a list of all covered employees for each employer for that month. No specific reporting of delinquent accounts is required.

Use of the Partnership Logo

Use of the Partnership logo by private entities is not allowed, as it may be construed to endorse one carrier’s offerings over another.

INDEX

- Accounting requirements, carrier, 30
- Adding employees, 7
- Binder check required, 24
- Broker ID, 18
- Central Registration Number, 18
- Commissions
 - included in reported wages, 21
- Contributions by employer
 - changes during the policy year, 9
- Delinquent payments, reporting by carrier, 30
- Dependent coverage
 - eligibility, 23
- Designated financial institution, 29
- Effective date of coverage**, 24
 - HIPAA-eligible events**, 24
- Eligible Employees**
 - Counting**, 1
 - Definition**, 1
 - Independent contractors**, 1
 - Owners**, 1
 - Spouses**, 1
- Eligible owner
 - adjusted gross income, use of, 22
 - countable wage, 22
 - definition, 22
 - determining "annual wages", 22
- Employee wages, 21
- Employees
 - adding, 7
 - newly-eligible, 7
 - newly-hired, 7
 - part-time, 1
 - seasonal, 1
 - special enrollment under HIPAA, 7
 - temporary, 1
- Employer choice of plans
 - changes during the policy year, 9
- Employer contributions, 18
- Employer eligibility**, 1
 - business with one employee, 1
- Employer identifiers**, 13
- Employer record
 - changes before first subsidy payment request, 6
 - making changes after the first subsidy payment request, 7
- Employer subsidy
 - calculating, 12
- Employer's contributions
 - changes during the policy year, 9
- Employer-sponsored group coverage definition**, 2
- Falsification of information, 12
- Health plans
 - eligible plans, 3
 - wellness benefit, 3
- Health savings accounts, 4
 - auditing, 5
 - contributions by owners to own acct, 5
 - employer contributions important, 4
 - employer contributions subsidized, 4
 - Medicare-eligible individuals, 6
 - required financial institution, 5
- Healthcare Reimbursement Arrangements (HRAs)
 - ineligible for subsidy, 6
- HIPAA-qualifying Events**, 8
 - effective date of coverage change**, 8
- Independent contractors, 1
- Logging on
 - as carrier, 13
 - as TPA, 14
- Logo, Partnership
 - use of, 30
- Maryland Employer
 - definition, 3
- Medicare-eligible individual
 - entering change in coverage, 9
 - entering plan choice**, 20
- Medicare-eligible individuals
 - Health savings accounts, 6
- Minimum wage, 21

- Owners
 - As eligible employees, 1
- Participation Rate, 2
 - Groups with one participant, 2
 - individuals with non-group policies, 2
- Partners
 - as eligible employees, 1
- Premium recalculations by the carrier
 - entry after first subsidy payment request, 10
 - entry prior to first subsidy payment request, 10
- Previous insurance, 23
 - entering in Registry, 23
 - multiple sources, 23
- Profit sharing
 - included in reported wages, 21
- Registration Number, 16
- Registry
 - adding carrier's policies**, 18
 - Employer contributions, 18
 - entering annual wages for owners, partners, spouses, 22
 - entering employee wages, 21
 - start new employer registration, 15
 - submit application, 24
- Registry printout, 28
 - determining amount of employee withholding, 29
 - determining HSA contribution, 29
 - determining monthly premium payment by employer, 28, 29
- Registry support, 12
- Relocation, employer
 - effect on eligibility, 3
- Renewal application process, 26
 - subsidy recalculation
 - average annual wage and size, 26
- Required fields, 13
- Section 125 plan, 3
 - certain owners can't participate, 4
 - employer must establish, 4
 - no penalty imposed if, 4
- Size of business
 - one employee business ineligible, 1
 - when determined, 1
- Special enrollment (HIPAA)
 - current participants, 8
 - not previously enrolled, 8
- Spouses
 - as eligible employees, 1
- Submitting application to Registry, 24
- Subsidy
 - calculation of, **11**
 - health savings account contributions by employer, **11**
 - ineligible for dependent coverage subsidy, 11
 - maximum amount, **11**
- Subsidy exceeds premium, 5
- Subsidy payment to carrier
 - timing of, 30
- Subsidy payments to carrier
 - accounting requirements, 30
- Subsidy table
 - annual changes, 12
- Terminating employer coverage, 10
 - effective date of termination, 10
- Termination of employee's coverage**, 9
- Tips
 - included in reported wages, 21
- Type of coverage
 - entering employee in waiting period, 24
 - entering waived coverage, 24
- Unlock, 25
 - resubmission after, 25
- Unlocking a record, **6**
- Wellness Benefit, 3