



Small Business
Recertification
Guide
Effective 2019



Blue Shield recertification process

The recertification process is performed annually to ensure small groups continue to meet eligibility and participation requirements as defined by the Small Group Act in California and the Federal Patient Protection and Affordable Care Act as follows by these key points:

Must meet health plan participation requirements as defined in the underwriting guidelines

Employed 1 to 100 employees on at least 50% of its working days during the preceding calendar quarter or calendar year

The group must be a person, firm, proprietary or nonprofit corporation, partnership, public agency, association, or guaranteed association

Must employ at least one eligible common law employee on at least 50% of the prior calendar quarter or prior calendar year and on the first day of the plan year

At least 51% of the groups' employees must be employed in California

Must have and maintain applicable business licensure, permits etc. allowing the company to conduct business in California

For more information about Blue Shield small group requirements, please refer to the Blue Shield Underwriting Guidelines.



Recertification identifiers

- Groups that have at least 40% of their employees enrolled that are out of state.
- Groups that are under enrolled (one enrolled) must validate that there is an eligible common law employee and that the group meets participation requirements.
- Group or member changes that may affect the group's eligibility or participation requirements during the calendar year.
- Groups with 100+ full time and full-time equivalent employees enrolled during the year. The 100+ recertification requires no response unless the group feels they meet the requirements of a small group with under 100 full time and full-time equivalent employees. If your group size has increased to over 100+ full time and full-time equivalent employees, the group will be renewed as a non-qualified small group employer. This change may impact the risk adjustment factor.
- To verify that we are rating your group using the group's principal business address registered with the California Secretary of State.



Documents required for review

- A copy of your most recent reconciled DE 9C.
- If the owner(s) of the business are not listed on the DE 9C, please provide a copy of either the K-1, Schedule C, or W-2 for the most recent tax year.
- Application or Refusal of Coverage for all eligible employees listed on the DE 9C, who are not currently enrolled.
- Blue Shield Attestation required for out-of-state recertification and principal business address.

Note: If needed, additional information may be required to complete the recertification review.



Recertification timeline

- Approximately 60 days prior to the group's renewal date, a recertification letter will be sent to the group, producer, and general agent requesting the documentation required to complete the review. If the requested information is not provided in 10 days, a second and final letter will be sent to the group, broker, and general agent 45 days prior to the group's renewal.
- Once the documentation has been received by Underwriting, please allow five to 10 business days to complete the review.
- Upon review of the recertification review, the group, producer, and general agent will receive a decision letter or a request for additional information.
- If additional item(s) are required to validate the group's eligibility, you will have up to three business days to provide the supporting documents.
- If the requested information is not received within the three business days, the file will be closed until the requested information has been received by Underwriting. Failure to respond to this request will result in our inability to confirm guaranteed renewability of your coverage. Your group health plan will not be renewed.

Note: The recertification notice supersedes any renewal material that was previously sent.



How to submit your recertification documents

- Email: SGUW@blueshieldca.com
- Small Business Underwriting Liasion: 1 (888) 834-4263
- Fax: 1 (800) 837-4635
- Mail: Small Business
Underwriting
P.O. Box 3008
Lodi, CA 95241



Frequently asked questions

Q: What's a recertification?

A: The Blue Shield recertification process is our way to confirm your small group continues to meet eligibility requirements prior to your group's renewal.

Q: What happens during the recertification process?

A: A letter will be sent to the group, producer, and general agent 60 days before the group's renewal date. In this letter, we will request a current DE 9C, employee application, and refusal of coverage form(s). Your group is then reviewed to ensure all eligibility and participation has been met. If the underwriter is able to make a decision with the information provided, you will receive a decision letter upon completion of underwriting review. If additional information is needed to complete the review, you will receive a notification requesting the required information. Once the requested information has been received and we are able to make a final decision, we will send you a decision letter within three business days.

Q: When calculating the number of employees in California, do I include the owners as full time or full-time equivalent employees?

A: No, only common law employees should be calculated to determine the number of employees in and out of state. Do not include owners, partners, seasonal employees, independent contractors, or COBRA enrollees.



Frequently asked questions

Q: My group has exceeded in size to over 100 full time and full-time equivalent employees. Will my policy be renewed?

A: Yes, your policy will be renewed. However, your group will no longer be subject to the Small Group Act and the Federal Patient Protection and Affordable Care Act (ACA). In this instance, different rates may apply. Additionally, you may be eligible for large group healthcare plans. If you would like more information about this option, please contact your broker or Blue Shield Account Manager.

Q: If I/we don't respond to the recertification request, how will this affect the employees?

A: If there is no response to the request, your group will be canceled, and HIPAA notices will be sent to all enrolled employees. If canceled, the group will have until the end of their renewal month to provide the requested information for review.

Q: If my group is canceled, will my group be reviewed and possibly reinstated the same day?

A: If the requested information is received by Underwriting by the last day of the renewal month, please allow up to five to 10 business days for your group to be reviewed. If your group is compliant, a decision letter will be sent, and a request will be submitted to have the group reinstated (please allow one to two days).





Blue Shield of California is an independent member of the Blue Shield Association