

# New Group Tool Kit



## How to bring on a new group health plan using the Family Health Insurance Assistance Program (FHIAP) or Healthy Kids

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When you see the underlined word, click on it to download the most recent form or a link that will take you to a website.



If you are a health insurance producer (agent) working with an uninsured business, or an employer contemplating health insurance, this tool explains how to:

- Determine if employees qualify for help paying 85, 90, or 100 percent of their share of the premium for kids, ages 0 through 18, through FHIAP or Healthy Kids (Steps 1-4).
- Shop for a health plan that meets FHIAP or Healthy Kids minimum guidelines (Steps 5-7).

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The Small Business Health Care Tax Credit is worth up to 35 percent of the premium costs. It may help your business afford the cost of covering your employees. Learn more at <http://www.irs.gov/newsroom/article/0,,id=223666,00.html>.

### How much time will you need?

We recommend you start this process a minimum of 60 days before you purchase the health insurance plan.



## Are there any tax benefits to offering group health insurance?

Employers receive tax credits for purchasing insurance. As an employer, you are taxed on the difference between revenue and expenses — since the cost of health premiums is an expense — the profit you are taxed on is less. You may pay less in payroll taxes (Social Security, Medicare) if you offer health insurance. Ask your accountant or tax advisor about this. Employees also receive tax savings. Their premium costs can be deducted from their wages pre-tax. Smaller, family-owned businesses may benefit from purchasing policies with rich benefits, thereby converting non tax-deductible medical bills to tax-deductible premiums.

The link to an IRS publication called, *Employer Tax Guide to Fringe Benefits* is: <http://www.irs.gov/pub/irs-pdf/pl5b.pdf>.

From Oregon Insurance Division *Group Insurance for Small Businesses (Small Employers)* [insurance.oregon.gov](http://insurance.oregon.gov).

## Agent Assistance

If you are an employer and don't have a health insurance agent, we can provide you with the name of a trained agent in your area. Call 503-378-5244 or toll-free 800-542-3104, ext. 85244, for a referral. ***This is a free service.***

# See who qualifies for FHIAP and Healthy Kids

60 days before plan purchase date

## STEP 1 Obtain applications

### For FHIAP:

To obtain FHIAP “group applications” (for employees who will have access to insurance at work for their kids):

- Producers, employers, or employees call 888-564-9669, or click on the [Reserve a FHIAP Application button](#) at the FHIAP website ([fhiap.oregon.gov](http://fhiap.oregon.gov)) to put the household on the reservation list. ***Have employee information (full name, address, etc.) available.***
- FHIAP mails applications as funds allow.

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Read the [FHIAP Employer Guide](#) for details about how FHIAP works.



For details about what information is needed on a FHIAP application, go to the [application wizard at oregon.gov/OHA/OPHP/fhiapwizard.shtml](https://oregon.gov/OHA/OPHP/fhiapwizard.shtml).

## For Healthy Kids:

Each family applies directly to Healthy Kids. There are four ways to apply:

- Phoning: 877-314-5678
- Going online: [apps.state.or.us/mbs/](https://apps.state.or.us/mbs/)
- Contacting a grantee or application assister organization for help: [oregonhealthykids.gov/apply/map.html](https://oregonhealthykids.gov/apply/map.html).

*Insurance producers, businesses, or organizations interested in becoming application assisters, can find more information at: [oregonhealthykids.gov/partners/certified.html](https://oregonhealthykids.gov/partners/certified.html).*

- Obtaining an application at a Department of Human Services location: [oregon.gov/DHS/assistance/localoffices.shtml#sdamap](https://oregon.gov/DHS/assistance/localoffices.shtml#sdamap).

## Steps 2–3 are about FHIAP only:

*If employees are applying to Healthy Kids, skip to Step 3.* (Healthy Kids will notify the family of eligibility status.)

### STEP 2 Meet with employees

- Obtain FHIAP applications (*see Step 1*).
- Provide Employer Identification Number (EIN) needed on each application.
- Even though the plan is pending, make sure employees mark **“Yes”** for the question **“Does employer offer insurance.”**
- U.S. citizens must provide **original** documentation — commonly an original birth certificate or passport (*documents are returned promptly*). There is no need to give proof of citizenship for kids born in Oregon (we can look it up). For more information read the citizenship flyer ([oregon.gov/OHA/OPHP/FHIAP/docs/citizenship.pdf](https://oregon.gov/OHA/OPHP/FHIAP/docs/citizenship.pdf)).
- We recommend that you have the employees review and sign the [consent form](#) (*in the Other Forms Packet*) and return it with the application. This will allow you to check the status of the application and expedite the process.

- Applicants should include a [Group Insurance Information \(GII\) form](#) (*in the Other Forms Packet*). The “plan purchase pending” box should be marked if a plan hasn’t yet been purchased. Some employers fill out as much of this form as possible (leaving employee name blank) and make copies for employees to submit with their application.
- Tell employees you will pick up applications within 10 days.

## STEP 3

### Collect applications

*About 50 days before plan purchase date*



If some employees are waiting for kid’s out-of-state birth certificates to prove citizenship, submit applications while waiting. *Put all applications in one envelope and mail to:*

OPHP • Attn: John McLean • PO Box 5880 • Salem, OR 97304-0880

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*If you are an insurance producer, include your name and contact information on a note, or include your business card. We have employer information on the GI.*

## STEP 4

### FHIAP and/or Healthy Kids notifies employees

FHIAP and/or Healthy Kids will notify employees whether their kids are approved for a subsidy and, if so, the amount of their subsidy. This should help employees know whether they can afford their total share of the premium.

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*If employees signed a [FHIAP consent form](#), you may check on the application status.*

*About 20 days before plan purchase date*

Shop for a FHIAP and/or Healthy Kids-qualified plan once you know how many kids of employees will likely participate in the health benefit plan.



# Shopping for a health plan

## STEP 5

### Find an insurance plan that meets FHIAP and/or Healthy Kids guidelines

General guidance is as follows:

Guidelines	FHIAP	Healthy Kids
Annual deductible	\$1,000 or less	\$750 or less
Member coinsurance level	30% or less	20% or less
Stop loss level	\$10,000 per individual	\$20,000 per individual
Out-of-pocket maximum (includes deductible)	\$4,000	\$4,750
Must include a prescription drug benefit	Yes	Yes

*All plans, regardless, must be submitted for analysis.*

## STEP 6

### Send benefit summary to OPHP

#### For both FHIAP and Healthy Kids:

1. Provide the plan or group number and a summary of the health benefits, including Rx benefits.
2. Attach the appropriate form to the information:
  - If you are an insurance producer, fill out a [producer request for benchmark analysis](#).
  - If you are an employer, fill out a [Group Insurance Information \(GII\) form](#).

The forms listed above can be found under [Publications and Forms](#) on our website ([oregon.gov/OHA/OPHP/publications.shtml](http://oregon.gov/OHA/OPHP/publications.shtml)).

3. Send by any of the following methods:
  - Mail to: OPHP • Attn: John McLean • PO Box 5880 • Salem, OR 97304-0880, **or**
  - Fax: 866-843-8936, Attn: John McLean, **or**
  - E-mail: [ophp.mail@state.or.us](mailto:ophp.mail@state.or.us), reference “benchmarking” in the regarding line

## STEP 7 Purchase plan

Once you know that the plan you selected meets FHIAP's and/or Healthy Kids guidelines, purchase the plan and enroll the kids of employees. Select a plan effective date that will allow the greatest number of kids to be counted as participating — this may help with the rating of the plan by the insurance company.

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*When additional kids are added to your plan because of the subsidy families receive, they can potentially help with participation levels, and/or may help stabilize your rates.*

## STEP 8 Enrollment verification (EV) form

As an employer, you complete this form for each employee with approved kids. This form is mailed to employees who have kids approved for FHIAP or Healthy Kids Employer Sponsored Insurance.

- [FHIAP enrollment verification form](#)
- [Healthy KidsConnect enrollment verification form](#)

The form provides the final information needed to reimburse employees for their share of kid's premiums.

### *Still have questions?*

#### **Contact OPHP's Information, Education, and Outreach Section:**

- Phone: 800-542-3104
- E-mail: [ophp.mail@state.or.us](mailto:ophp.mail@state.or.us), reference "*new group*" in the regarding line