

PARTICIPATION EXAMPLES

➤A carrier does not have to provide participation credit for eligible employees who waive enrollment in the carrier's plan because the employees have coverage issued to the same employer by another carrier.

➤A carrier must provide participation credit eligible employees who waive enrollment in the carrier's plan because the eligible employee is covered:

- By Medicare
- By Medicaid or NJ FamilyCare
- By another employer's group health benefits plan, or
- As a dependent by a spouse's group health benefits plan.

No carrier may state that one or more of these waivers fails to count toward meeting the 75% participation requirement.

➤A carrier may not require that 75% participation be met with just that carrier.

Some examples follow.

EXAMPLE 1

Mike's Bike Shop has 12 employees working 25 or more hours per week.
75% = 9 eligible employees.

2 eligible employees enroll for Carrier X

3 eligible employees submit waivers because they have Medicare

4 eligible employees submit waivers because they have spousal group coverage

3 eligible employees enroll for Carrier Y

Carrier X must issue coverage since the group meets 75% participation (2+3+4=9).

Carrier Y must issue coverage since the group not only meets but exceeds 75% participation (3+4+3=10).

This example illustrates the possibility that two carriers could be "primary" carriers. Depending on the group size and the number of valid waivers there might even be three "primary" carriers.

EXAMPLE 2

Mike's Bike Shop has 4 employees working 25 or more hours per week.
75% = 3 eligible employees.

- 1 eligible employee enrolls for Carrier X
- 1 eligible employee submits a waiver because the employee has coverage under another group plan with a different employer
- 1 eligible employee submits a waiver because the employee has spousal group coverage
- 1 eligible employee simply waives coverage

Carrier X must issue coverage since the group meets 75% participation (1+1+1=3).

EXAMPLE 3

Mike's Bike Shop has 12 employees working 25 or more hours per week.
75% = 9 eligible employees.

- 2 eligible employees enroll for Carrier X
- 2 eligible employees submit a waiver because they have Medicare coverage
- 2 eligible employees submit a waiver because they have spousal group coverage
- 3 eligible employees enroll for Carrier Y
- 3 eligible employees simply waive coverage

Carrier X declines to issue coverage since the group fails to meet 75% participation (2+2+2=6).

Carrier Y declines to issue coverage since the group fails to meet 75% participation (2+2+3=7).

This example illustrates a situation where the employees enrolling for coverage need to be under the same carrier's plan in order to meet participation.

EXAMPLE 4

Mike's Bike Shop has 8 employees working 25 or more hours per week.
75% = 6 eligible employees.

2 eligible employees enroll for Carrier X

1 eligible employee submits a waiver because the employee has coverage under another group plan with a different employer

3 eligible employees submit a waiver because they have spousal group coverage

1 eligible employee simply waives coverage

1 eligible employee enrolls for Carrier Y.

Carrier X must issue coverage since the group meets 75% participation (2+1+3=6).

Carrier Y declines to issue coverage since the group fails to meet 75% participation (1+3+1=5).