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Agent Alert

Breaking News from Covered California

Small Business Expansion Effective January 1, 2016

As of January 1, 2016, two major changes have occurred in the small group marketplace.

First, the definition of a small business in California has expanded to include groups with 1-100 full-time equivalent (FTE) employees. Second, the Affordable Care Act (ACA) employer mandate now requires businesses with at least 50 full-time equivalent employees to provide health coverage for their employees and dependents or face a tax penalty.

To correspond to these marketplace changes, Covered California for Small Business has expanded its eligibility requirements to allow small groups with 1-100 FTE employees to join the program as of January 1, 2016. This "small business expansion," in combination with the ACA's employer mandate, means that many businesses may be shopping for coverage for the first time.

Here's what you need to know about Covered California for Small Business' small business expansion:

1. **Eligibility**—Group size is determined by calculating the total number of "Full-Time Equivalent" (FTE) employees. Covered California for Small Business is available to all small businesses that have 1-100 FTEs as of January 1, 2016. A detailed look at [how FTE is calculated is available here](#).
2. **Employee and Dependent Coverage**—If a group's FTE number is at least 50, the employer will be required to offer coverage to all dependent children up to the age of 26. If the employer chooses to not offer dependent coverage, the employer may be subject to [tax penalties](#) under the IRS Employer Shared Responsibility Provisions.
3. **Commissions**—Effective January 1, 2016, agents will be paid a commission rate of 5.0% for employer groups with 51 to 100 enrolled employees. If a group's size changes after a group enrolls for coverage, the commission rate will not change.

For additional information about small business expansion, access our new [Covered California for Small Business Expansion FAQ](#) for details on determining group size, calculating FTEs and more.

Covered California For Small Business Commission Rates Remain Competitive

Covered California Certified Insurance Agents are paid market competitive commissions for business sales both for groups with 1-50 employees and, starting January 1, 2016, for 51+ groups.

Agents with new and renewing small groups in 2016 will earn commissions according to the following structure:



The graphic titled "Agent Commissions" features the Covered California logo on the left. It is divided into two columns: "1-50 Employees Enrolled" and "51+ Employees Enrolled". The first column lists commission rates for the 1st through 6+ years of enrollment, ranging from 6.5% to 5.0%. The second column shows a flat 5% rate. A note at the bottom states that the rates are effective January 1, 2016, and that the annualized premium cap has been removed. A final note explains that group size is established by the number of enrolled employees at the initial effective date and remains constant.

1-50 Employees Enrolled		51+ Employees Enrolled
1 st Year	6.5%	5% Flat
2 nd Year	6.2%	
3 rd Year	5.9%	
4 th Year	5.6%	
5 th Year	5.3%	
6+ Years	5.0%	

Note: Effective January 1, 2016 - Annualized premium cap removed.

Group size established by number of enrolled employees at initial effective date and will not change based on enrollment changes under or over 50.

Covered California's commission rates are based on the total number of employees enrolled at the initial effective date and will not change even if the group's enrollment changes over time. In other words, if a group size changes after a group enrolls for coverage in Covered California for Small Business, the commission rate will not change.

Covered California for Small Business Accepting January Small-Group

Submissions Through 1/8/16 to Accommodate Surge in Enrollments

The Covered California for Small Business team is excited to announce that December small group submissions broke records for both members and cases submitted!

Processing of new case submissions is faster than ever and Covered California's all-star small business team is ready to help you close your January business.

Covered California for Small Business is now accepting new business for coverage effective in January through January 8, 2016.

Get your cases in between now and January 8 to experience for yourself how seamless our case processing and installation can be. Submit your cases today through our [Small Business Online Agent Portal](#) or your Covered California General Agent.

Covered California Highlights Major Health Insurance Changes for the New Year — New Penalties, New Requirements and, for Those With Coverage, Improved Benefits, More Options and More Access to Care

Covered California informed consumers about changes occurring in the health insurance marketplace in 2016 in a recent press release.

"There are big changes taking effect in 2016 that will affect thousands of small businesses and millions of consumers," said Covered California Executive Director Peter V. Lee. "Those insured with us will have new and improved benefits with their coverage and ways to be sure they get the care they need and deserve."

Read the [press release](#) for more details on changes taking effect in both the small group and individual markets this year.

Happy New Year! A Reminder About The Open Enrollment Deadline

This week we start 2016 with a refreshed commitment and an opportunity for a new and healthy start to another year. As most of us (and our consumers) prepare for new/renewed gym memberships, crispy veggies and green juices, free-weights and new sneakers, it is important to also remember the January 31 Open Enrollment deadline. As a Covered California partner you will be receiving flyers to remind your consumers about the deadline for Open Enrollment.

Once you receive the flyers, please distribute to your consumers and community. The flyer is a great opportunity for you to reach consumers who have not yet enrolled and remind them about the Open Enrollment deadline, the increase in penalty for not having coverage for 2016 and to contact you for assistance in enrolling. View the flyer in [English](#) and [Spanish](#).

If you do not receive flyers by Friday, January 8, 2016 please contact your [local regional field representative](#).

Agent Service Center Hours

Monday thru Friday, 8:00 a.m. to 8:00 p.m. (Open Enrollment extended hours)

Saturdays and Sundays, Closed

Phone: (877) 453-9198

Click [here](#) for the Open Enrollment Agent Service Center schedule.

Important Dates for Your Calendar

- 1/1/16 – Covered California for Small Business expands to 1-100 FTEs
 - 1/8/16 – Covered California for Small Business deadline for 1/1 coverage
 - 1/15/16 – Individual Marketplace plan selection deadline for 2/1 coverage
 - 1/31/16 – End of Covered California Open Enrollment
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Upcoming Outages

- Saturday, January 16, 2016 from 9:00 pm to Monday, January 18, 2016 at 6:00 am

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