



# Medical Underwriting Guidelines

as of 07/01/2025

Category	Small Group (1-100 Employees) <sup>1</sup>	Large Group (101+ Employees) <sup>1</sup>
<b>Products Available</b>	<b>Four Products:</b> P5 Platinum HMO, P10 Platinum HMO, Platinum 90 HMO and Gold 80 HMO.	<b>Five Products:</b> Value Plan 5 (VP5), Value Plan 10 (VP10), Value Plan 20 (VP20), Plan MEP and Plan QEP.
<b>MEHP Product Combinations</b>	Yes, as long as at least 5 employees are enrolled. 2 Plans maximum.	Yes. 2 Plans maximum.
<b>Split Carrier Product Combinations (MEHP alongside a CA Carrier)</b>	May be sold alongside any CA HMO, PPO, and/or Cross-Border carrier. <sup>2</sup>	May be sold alongside any CA HMO, PPO, and/or Cross-Border carrier. <sup>2</sup>
<b>MEHP as Sole Carrier (the only group coverage plan)</b>	Allowed.	Allowed.
<b>Riders</b>	Optional Dental and Vision Plan.	Optional Dental and Vision Plan.
<b>Affiliated Companies/ Common Ownership (alongside a CA carrier or as sole carrier)</b>	Groups who have more than one business with different TINs may be eligible to enroll as one group if the following are met: <ul style="list-style-type: none"> <li>• Affiliates are eligible to file a combined income tax return.</li> <li>• Each affiliate shares a min. 50% common ownership.</li> <li>• Companies must be within a related industry.</li> <li>• There are 100 or fewer EEs in the combined groups.</li> <li>• Submit a Common Ownership form</li> <li>• Underwriting reserves the right to a final review and may consider common ownership on a case-by-case scenario.</li> </ul>	Not allowed.
<b>Rate Guarantee</b>	12 months as of effective date.	12 months as of the effective date.
<b>Rates</b>	Age rated per small group premium table. Ages based on the Plan contract effective date. <sup>3</sup>	<b>Composite:</b> 3 or 4 tier composite rates available for VP Plans. <b>Book Rates:</b> 3 or 4 tier book rates available for MEP and QEP Plans.
<b>Contingent Approval</b>	Enrolling Less Than 5 EEs and No DE9C: • <b>Must Submit DE9C in the Following Quarter for Complete Approval.</b>	Not Applicable.
<b>New Enrollment Documents Required</b>	When Enrolling 1-4 EEs, Groups Must Submit: <ul style="list-style-type: none"> <li>• <b>Government Issued IDs</b></li> <li>• <b>Marriage Certificate</b></li> <li>• <b>Birth Certificate for Dependent children matching at least one parent's surname</b></li> <li>• <b>CA Certificate of Domestic Partnership filed with the state, or a Notarized Declaration of Domestic Partnership from Mexico</b></li> </ul>	Not Applicable.
<b>Random Audits</b>	<b>Groups may be subject to random recertification at renewal.</b>	Not Applicable.
<b>Employer Contribution (MEHP alongside a CA carrier)</b>	Minimum of 50% of EE rate.	<ul style="list-style-type: none"> <li>• <b>For VP5, VP10, VP20:</b> Minimum 50% of EE rate.</li> <li>• <b>QEP and MEP:</b> can be offered as voluntary.</li> </ul>
<b>Employer Contribution (MEHP as sole carrier)</b>	No minimum employer contribution is required.	<ul style="list-style-type: none"> <li>• <b>For VP5, VP10, VP20:</b> Minimum 50% of EE rate.</li> <li>• <b>QEP and MEP:</b> can be offered as voluntary.</li> </ul>

# Medical Underwriting Guidelines

Category	Small Group	Large Group
<b>Participation (MEHP alongside a CA carrier)</b>	MEHP accepts 1 EE for Gold 80/Platinum 90 HMOs. <b>5 EEs minimum required for P5 and P10 HMOs.</b>	Minimum participation is 1 EE.
<b>Participation (MEHP as sole carrier)</b>	MEHP accepts 1 EE for Gold 80/Platinum 90 HMOs. <b>5 EEs minimum required for P5 and P10 HMOs.</b>	Minimum participation is 1 EE.
<b>Carve-Outs</b>	Allowed. The carve-out classes must be IRS non-discriminatory and in compliance with ACA. All others must be offered insurance.	Allowed. The carve-out classes must be IRS non-discriminatory and in compliance with ACA. All others must be offered insurance.
<b>Census or Online Enrollment</b>	A census spreadsheet will be accepted with a min. enrollment of 10 employees, if all enrollment info. for employees/dependents is provided.	A census spreadsheet will be accepted if all enrollment information for employees and dependents is provided.
<b>Ineligible Groups</b>	<b>Owner-only and spouse-only groups are not eligible for group coverage.</b>	<b>Owner-only and spouse-only groups are not eligible for group coverage.</b>
<b>Ineligible Employees</b>	Part-Time employees working less than 20 hours. 1099 employees shall be considered on a case-by-case basis.	Part-Time employees working less than 20 hours. 1099 employees shall be considered on a case-by-case basis.
<b>COBRA/Cal-COBRA</b>	No maximum.	No more than 10% of enrolled MEHP subscribers may be on COBRA.
<b>Employee Only Coverage</b>	Allowed. Employers must monitor enrollment. If dependents appear on enrollment form, they will be enrolled.	Allowed. Employers must monitor enrollment. If dependents appear on enrollment form, they will be enrolled.
<b>Out-of-State Employer/Employees</b>	Employees are not allowed. Employers allowed if the subscribers are within the coverage area.	Employees are not allowed. Employers allowed if the subscribers are within the coverage area.
<b>Newly Formed Groups</b>	MediExcel will accept the same requirements as the CA Carrier, or 30 days payroll.	MediExcel will accept the same requirements as the CA Carrier.
<b>Special Open Enrollment Period</b>	Special enrollment period is from November 15th through December 15th of each year. All other underwriting requirements must be met.	Special enrollment period is from November 15th through December 15th of each year. All other underwriting requirements must be met.
<b>Valid Waivers</b>	CA Carrier Coverage, Covered California, Group Spousal Coverage, Medicare, Medi-Cal, COBRA, Active Duty Military.	CA Carrier Coverage, Covered California, Group Spousal Coverage, Medicare, Medi-Cal, COBRA, Active Duty Military.
<b>Waiting Period Options</b>	Any ACA/state compliant period is acceptable. Coverage begins on the first day of the month.	Any ACA/state compliant period is acceptable. Coverage begins on the first day of the month.
<b>PEO Relationship Cancellation</b>	Provide the cancellation letter sent to the leasing company. Payroll register from the prior PEO must be submitted.	Provide the cancellation letter sent to the leasing company. Payroll register from the prior PEO must be submitted.
<b>Administrative Fees</b>	1-3 EEs: \$10.00 monthly admin. fee *Dependents are not included towards count.	None.
<b>Other</b>	<ul style="list-style-type: none"> <li>• <b>5 EEs or more does not require a DE9C.</b></li> <li>• <b>We reserve the right to request proof of payroll at any time.</b></li> <li>• <b>Any employer with EEs 62 and older, must provide proof of full time status.</b></li> </ul>	None.

## Notes:

<sup>1</sup> Groups must have all completed paperwork into MediExcel underwriting by the 5th business day of the requested effective date. If not received by this date, the effective date will be moved to the next month. The effective date will be the 1st of the month and may be requested up to 60 days in advanced.

<sup>2</sup> When MEHP is sold alongside any CA HMO, PPO and/or Cross-Border carrier, MEHP's product size can match the CA carrier's product size.

<sup>3</sup> Age rated as per Small Group premium rate table in effect on group's effective date. Age rate adjustments and new hire enrollee rates based on the enrollee's age as of the group contract date the contract/renewal became effective.



## **New Small Group (1-4) Underwriting Guidelines Q&A**

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Effective July 2025, MediExcel Health Plan will implement additional underwriting guidelines and verification procedures for small groups with fewer than five primary members. These changes are designed to strengthen data integrity and reduce fraud and abuse. The new requirements and processes are listed below, followed by a Q&A:

- 1. Contingent Approval: Small Groups Enrolling Less Than 5 Employees without a DE9C**  
- The Group must submit DE9C in the Following Quarter for Complete Approval.
  - 2. New Documents Required: Small Groups Enrolling Less Than 5 Employees**  
- The Group Must Submit IDs and relevant Marriage Certificate/Domestic Partner Registration and Birth Certificates for enrolling Employees and Dependents
  - 3. All Groups are Subject to Random Renewal Recertification of Eligibility.**
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### **Section 1: General Overview**

**Q1: When do the new underwriting guidelines for small groups go into effect?**

**A:** July 1, 2025.

**Q2: What is the primary goal of these new processes?**

**A:** To strengthen data integrity, reduce fraud and abuse, and ensure compliance.

**Q3: Which departments are responsible for implementing the new processes?**

**A:** Sales Support, Implementation, and Billing teams.

**Q4: What happens if a group or subscriber fails to comply with the new requirements?**

**A:** They may be terminated. A 30-day notice of termination will be issued.

### **Section 2: Contingent Approval of New Groups (DE9C Process)**

**Q5: When will the DE9C be required?**

**A:** The DE9C will be required in the first full quarter following a group's enrollment.

**Q6: Will the group be approved?**

**A:** A contingency agreement is included with the Master Application. A contingent approval



letter will be issued in place of the standard approval letter until the group completes the process. A new approval letter will be issued.

**Q7: What is the consequence if a group does not submit the DE9C as required?**

**A:** A 30-day notice is issued, and the group will be terminated if unresolved.

**Q8: Who monitors progress on DE9C submissions?**

**A:** MediExcel Sales Support helps the group complete the process.

### **Section 3: Documentation for Eligible Dependents**

**Q9: What documentation is required to enroll dependent children?**

**A:** A birth certificate confirming at least one of the parental surnames.

**Q10: What is required to enroll a spouse?**

**A:** A government-issued ID and a marriage certificate.

**Q11: What happens if a group fails to provide these documents?**

**A:** The application will be denied.

### **Section 4: Domestic Partner Documentation**

**Q12: What are acceptable forms of documentation for domestic partners?**

**A:** A California Certificate of Registered Domestic Partnership from the Secretary of State, or a Notarized Declaration of Domestic Partnership from Mexico.

**Q13: Who verifies the documentation, and what if it is incomplete?**

**A:** Sales Support or the Implementation team verifies the submitted documents. If they are incomplete, the broker is notified of the missing requirements with instructions.

**Q14: What happens if documentation for a domestic partner is not acceptable?**

**A:** The application request is denied, or if part of a renewal audit, a 30-day notice will be issued.

### **Section 5: Random Recertification and Audit Process**

**Q15: What groups will be audited?**

**A:** All groups could be randomly selected for the renewal recertification audit.

**Q16: How will these groups be selected?**

**A:** They will be randomly selected from those groups renewing in 90 days.



**Q17: Will MediExcel notify the client or the broker?**

**A:** MediExcel will notify the broker of upcoming renewal and audit requirements. If there is no response, MediExcel will follow up with the client.

**Q18: What documentation is required for recertification?**

**A:** Updated DE9C, employee count, waiting period, marriage certificate, birth certificates, if not submitted initially, and domestic partner certification (if applicable).

**Q19: How are clients notified of their audit selection?**

**A:** Through their broker. An audit letter is included with their renewal notification email. If there is no response from the broker, MediExcel will follow up with the client.

**Q20: What happens if a group fails the recertification audit?**

**A:** The group or subscribers may be terminated, with the formal 30-day notification issued by the Billing department.

**If you have any questions, contact your carrier representatives Clementina Arriaga at [carriaga@mediexcel.com](mailto:carriaga@mediexcel.com), or Erick Posada at [eposada@mediexcel.com](mailto:eposada@mediexcel.com).**