

## **Bulletin 221**

### **Small group health insurance: participation requirements**

October 4, 1993

The small group health insurance law requires guaranteed issuance of medical coverage to eligible groups meeting the carrier's minimum participation requirements, which may not exceed 75%. Title 24-A M.R.S.A., Section 2808-B, Paragraph 1(D) states:

In the calculation of carrier percentage participation requirements, eligible employees and their dependents who have existing health care coverage may not be considered in the calculation.

It has come to my attention that some carriers are interpreting "existing health care coverage" to mean group coverage. This is not a correct interpretation. Employees with any type of existing coverage must be excluded from the calculation.

For example, if there are seven eligible employees in the group and two are covered under their spouses' group plan and one is covered by an individual policy, coverage must be issued if at least three employees participate. Since three employees have existing coverage, the minimum participation requirement is 75% of four, or three employees.

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