

Educators Health Alliance

Underwriting Rules

The EHA Board adopted the following:

1. **Statement on Cash-In-Lieu:** The decision to offer cash-in-lieu of insurance is a local decision governed by the locally-negotiated employment contract. The EHA urges all parties to consult legal and tax advisors on this issue and to carefully review the legal opinions obtained by EHA, which are available to EHA participants.
2. **Net Enrollment Percentage Rule:** Each EHA subgroup with less than 75% enrollment (excluding those covered under a spouse's group health plan) shall remain eligible under the EHA and be subject to a 5% premium rate surcharge.
3. **Gross Enrollment Percentage Rule:** Each EHA subgroup with less than 50% enrollment (excluding only those covered by EHA under a spouse's plan) shall remain eligible under the EHA and be subject to a 5% premium rate surcharge.
4. **100% Contribution Rule:** Each EHA subgroup where the employer contribution is made exclusively for health insurance premiums only, with no options, and such contribution is in the amount of 100% of the single and 100% of the family rates, shall be subject to a 5% reduction.
5. The subgroup determinations in numbers 2 through 5 above shall be applied at the subgroup application level. This means there may be multiple subgroups individually measured for the population of a single employer.
6. The rate determinations made from numbers 2 through 5 above shall be applied cumulatively.