

11:21-7.6 Contribution requirements

(a) A small employer carrier shall not require a minimum small employer contribution of more than 10 percent of the annual cost of the small employer's health benefits plan. This contribution requirement shall be applied by the small employer carrier uniformly among all health benefits plans and all small employers.

(b) A small employer carrier may, upon approval of the Board, require a minimum contribution of less than 10 percent provided that the small employer carrier:

1. Notifies the Board in writing of its contribution requirement;
2. Explains why the lesser requirement is reasonable; and
3. Applies the requirement uniformly to all small employer health benefits plans and to all small employers.

(c) The Board shall notify the small employer carrier in writing within 60 days of the small employer carrier's filing with the Board whether such request is approved.

(d) The small employer carrier shall have a right of appeal if the Board disapproves the small employer carrier's lesser contribution requirements, in accordance with procedures established by the Board in its Plan of Operation.

(e) A small employer carrier shall not require a minimum participation under the small employer's health benefits plan of 75 percent of eligible employees with respect to employer applications received during the employer annual open enrollment period.

Amended by R.1994 d.499, effective September 2, 1994.
See: 26 N.J.R. 3421(a), 26 N.J.R. 4047(b).
Recodified from 11:21-7.7 by R.1997 d.62, effective February 3, 1997.
See: 28 N.J.R. 4344(a), 29 N.J.R. 428(a).
Former section recodified to N.J.A.C. 11:21-7.5.
Amended by R.2014 d.019, effective December 19, 2013 (operative January 1, 2014).
See: 46 N.J.R. 12(a), 46 N.J.R. 228(a).
Added (e).

11:21-7.7 Employee open enrollment period

(a) Each small employer shall designate a 30-day period each year as the employee open enrollment period. Such period shall begin no more than 90 days prior to the start of the plan year.

(b) Employees and dependents who are eligible under the small employer's plan but who are late enrollees may enroll for coverage under the small employer's plan during the employee open enrollment period.

(c) Employees and dependents who are covered under the small employer's plan who wish to elect coverage under a different policy, if any, offered by the small employer, may enroll for coverage under the alternate plan during the employee open enrollment period.

(d) The effective date of coverage applied for during the employer open enrollment period shall be the start of the plan year.

Amended by R.1994 d.499, effective September 2, 1994.
See: 26 N.J.R. 3421(a), 26 N.J.R. 4047(b).
Recodified from 11:21-7.8 and amended by R.1997 d.62, effective February 3, 1997.
See: 28 N.J.R. 4344(a), 29 N.J.R. 428(a).
Former section recodified to N.J.A.C. 11:21-7.6.
Amended by R.1998 d.512, effective September 25, 1998.
See: 30 N.J.R. 2815(a), 30 N.J.R. 3840(a).
Rewrote the section.
Repeal and New Rule, R.2014 d.019, effective December 19, 2013 (operative January 1, 2014).
See: 46 N.J.R. 12(a), 46 N.J.R. 228(a).
Section was "Preexisting condition standards".

11:21-7.7A Special enrollment period

(a) The special enrollment period means a period of time that is no less than 30 days following the date of a triggering event listed in (b)1 through 5 below and no less than 60 days following a triggering event listed in (b)6 below during which:

1. Eligible employees and dependents who are late enrollees are permitted to enroll under the small employer's plan; and
2. Eligible employees and dependents who already have coverage are allowed to replace current coverage with a different plan, if any, offered by the small employer.

(b) Triggering events are:

1. The date an eligible employee or dependent loses eligibility for minimum essential coverage, including a loss of coverage resulting from the decertification of a qualified health plan by the marketplace. A loss of coverage resulting from nonpayment of premium, fraud or misrepresentation of material fact shall not be a triggering event;
2. The date an eligible employee acquires a dependent or becomes a dependent due to marriage, birth, adoption, placement for adoption, or placement in foster care;
3. The date an eligible employee's enrollment or non-enrollment in a qualified health plan is the result of error, misrepresentation, or inaction by the Federal government;
4. The date an eligible employee or eligible dependent demonstrates to the marketplace that the qualified health plan in which he or she is enrolled substantially violated a material provision of its contract in relation to the enrollee;
5. The date the eligible employee or dependent gains access to new qualified health plans as a result of a permanent move; and
6. The date the eligible employee or dependent loses or gains eligibility under Medicaid or NJFamilyCare.

(c) The effective date of the employee's coverage or dependent's coverage shall be:

1. The day after the loss of minimum essential coverage as described in (b)1 above;

2. The date of marriage, birth, adoption, placement for adoption, or placement in foster care as described in (b)2 above; or

3. The first of the month following receipt of the enrollment form with respect to the events described in (b)3, 4, 5, and 6 above.

(d) If an eligible employee initially waived coverage and stated at that time that such waiver was because he or she was covered under another group plan, and the employee subsequently elects to enroll under the small employer's plan, the employee and his or her dependents will not be late enrollees.

1. The employee may enroll under the small employer's plan within 90 days of the date any of the events described in (d)2 below occurs. The small employer carrier will assign an effective date as of the day after the event described in (d)2 below occurs.

2. The employee is not considered to be a late enrollee if the coverage under the other plan ends due to one of the following events:

- i. Termination of employment or eligibility;
- ii. Reduction in the number of hours of employment;
- iii. Involuntary termination;
- iv. Divorce or legal separation or dissolution of the civil union or termination of the domestic partnership;
- v. Death of the eligible employee's spouse;
- vi. Termination of the policyholder's contribution toward coverage; or
- vii. Termination of the other plan's coverage.

(e) The eligible employee must enroll within 90 days of the date that any of the events described in (d) above occur. Coverage will take effect as of the date the applicable event occurs.

New Rule, R.2014 d.019, effective December 19, 2013 (operative January 1, 2014).
See: 46 N.J.R. 12(a), 46 N.J.R. 228(a).

11:21-7.8 Effective date of employer's coverage

(a) A small employer carrier, prior to issuing a health benefits plan, may require the following:

1. A completed small employer standard application form including the small employer certification form in accordance with N.J.A.C. 11:21-6.1(a) and (b);
2. Complete employee enrollment forms and waiver forms; and
3. An advance premium payment not to exceed one month's premium, which shall be refunded to the employer

if the health benefits plan is not issued by the small employer carrier.

(b) A small employer carrier shall provide notice to the employer within 15 working days of receipt by the small employer carrier of the information set forth in (a) above whether the small employer carrier approves or disapproves the employer's application for the health benefits plan. Except as stated in (c) below, if approved, the effective date of coverage under the health benefits plan shall be no later than the first day of the month following the date of notice of such approval by the small employer carrier unless the small employer has requested a later effective date which is agreed to by the small employer carrier.

(c) The effective date of coverage under a health benefits plan issued to an employer as a result of an application received during the employer annual open enrollment period shall be January 1 of the year following the employer annual open enrollment period.

(d) At the option and upon the request of the small employer, a waiting period may be applied by the small employer carrier with respect to employees when they first become eligible for coverage, not to exceed 90 days. Waiting periods may be applied to these employees by class of employee based upon conditions pertaining to employment.

(e) A small employer carrier may offer an automatic checking withdrawal option to small employer groups for the monthly or quarterly payment of premiums. In the event that a small employer carrier elects to offer an automatic checking withdrawal option, the carrier shall offer the same option to all small employer groups, regardless of the size of the group or the type of health benefits plan.

Amended by R.1994 d.499, effective September 2, 1994.

See: 26 N.J.R. 3421(a), 26 N.J.R. 4047(b).

Recodified from 11:21-7.9 by R.1997 d.62, effective February 3, 1997.

See: 28 N.J.R. 4344(a), 29 N.J.R. 428(a).

Former section recodified to N.J.A.C. 11:21-7.7.

Amended by R.2004 d.107, effective March 15, 2004.

See: 35 N.J.R. 5011(a), 36 N.J.R. 1594(a).

In (a)2, substituted "forms and waiver forms" for the N.J.A.C. reference.

Amended by R.2014 d.019, effective December 19, 2013 (operative January 1, 2014).

See: 46 N.J.R. 12(a), 46 N.J.R. 228(a).

Section was "Effective date of coverage". In (a)3, deleted "except as provided in N.J.A.C. 11:21-7.5(d)2," preceding "which"; in (b), substituted "Except as stated in (c) below, if" for "If"; added new (c); recodified former (c) and (d) as (d) and (e); in (d), substituted "90 days" for "six months"; and deleted former (e).

11:21-7.9 Price quotes; disclosures

(a) A small employer carrier shall provide a price quote to a small employer, directly or through an authorized third party, within 10 working days of receiving a request for a quote and such information as is reasonable and necessary to provide the quote. A small employer carrier shall notify a small employer, directly or through an authorized producer, within five working days of receiving a request for a price