



# Broker Briefing

07/19/2011

## State Law Allows Small Employers to Reimburse an Employee for Individual Health Plan Premium

SB11-019 was signed into law by the Governor on March 29, 2011 and provides that small group employers can reimburse an employee through wage adjustments or health reimbursement arrangements for any portion of their individual health plan premium, if they meet specific criteria.

### Changes to the SOLO Application

There are specific questions carriers must include in their full-length individual applications to determine if an employer meets the criteria to reimburse employees enrolled in an individual plan.

1. Will an employer of 50 or fewer eligible employees be paying for or reimbursing an employee through wage adjustment, a health reimbursement arrangement for any portion of the premium on the policy being applied for?
2. Did the employer have a small group health plan providing coverage to any employee in the 12 months prior to the date of this application?

SOLO applicants who answer “Yes” to Question #1 and “No” to Question #2 will be required to submit the Employer Affidavit for Reimbursement form, [available here](#).

This form requires the employer's signature and will be requested from you by Rocky Mountain Health Plans at the time the application is approved.

The revised SOLO application\* holding these new questions is [available here](#) and will be required for all your clients with effective dates of September 1, 2011 or later. We expect more changes to be presented through proposed regulations of SB11-019. We will keep you updated as we learn more.

### No Change to SOLO Billing Arrangements

There are no specific requirements in SB11-019 around the carrier's billing of individual premium as it relates to employer reimbursement. RMHP will continue to bill the individual subscriber directly and only accept payments from personal funds. Any reimbursement provided by the employer will be outside of the RMHP billing system.

### Updates to SOLO Underwriting Guidelines

Updated underwriting guidelines can be [viewed here](#).

*\* RMHP's online SOLO application will include the required questions by September 1, 2011.*

As always, if you have any questions, comments or need assistance,  
please call your Rocky Mountain Health Plans Executive.

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