CA Commercial Group – External (Broker) FAQ

Q: What is changing with Health Net's California Commercial Group business?

A: Health Net has made the decision to exit the commercial group line of business in California as part of a shift in business strategy.

Q: When does this change take effect?

A: Commercial group policies are expected to end Feb. 28, 2027, or as otherwise permitted by the applicable contract and regulatory requirements. Each group will receive information about their specific sunset date.

Q: A group just renewed. Can they stay until their next renewal?

A: Existing policies will end on Feb. 28, 2027 or as otherwise permitted by the applicable contract and regulatory requirements. Each group will receive information about their specific sunset date.

Q: What happens to customers/clients/employer groups?

A: Health Net will work with affected employer groups, brokers and partners to facilitate a transition.

Q: Will Health Net continue to accept new commercial group business?

A: Health Net will no longer accept new commercial group business as part of this transition, except where required by the terms of unique agreements.

Q: What happens to groups recently sold or currently being implemented?

A: Health Net will work with affected employer groups, brokers and partners to facilitate a transition.

Q: An employer/group recently purchased a plan and it has yet to take effect. Can they cancel their plan?

A: To facilitate an orderly transition, employer groups may elect to terminate the contract prior to the Feb. 28, 2027 termination date. Groups will need to provide timely notice, in accordance with their Health Net agreement.

Q: Can groups cancel their plan before the end of the policy period?

A: To facilitate an orderly transition, employer groups may elect to terminate the contract prior to the Feb. 28, 2027 termination date. Groups will need to provide timely notice, in accordance with their Health Net agreement.

Q: Can groups still renew their policy prior to Feb. 28, 2027?

A: Yes, though the ultimate end date of the renewed policy will continue to be Feb. 28, 2027.

Q: If members have questions regarding unresolved claims payment or other administrative issues after their policy is terminated, who should they contact?

A: Members should contact the number on the back of their ID card for assistance.

Q: Who should brokers contact for unresolved employer inquiries after Feb. 28, 2027?

A: Brokers should continue to work with their Health Net contacts for existing business unless otherwise notified.

Q: What products does this include?

A: This includes small group and large group medical plans, dental, vision, standalone dental, standalone vision and Employer Group Waiver Plan (EGWP). Separate communications will follow regarding the dental, vision and EGWP.

Q: What happens to COBRA members?

A: COBRA and Cal-COBRA members should review the transition information provided by their employer group or COBRA administrator. In general, if an employer group moves to a new carrier, eligible COBRA participants may be offered continuation coverage through the group's replacement coverage, subject to applicable COBRA or Cal-COBRA rules. Members who lose qualifying employer-sponsored coverage may also qualify for a Special Enrollment Period to enroll in individual coverage through the state marketplace such as Covered California.

Q: Does this impact Health Net life insurance policies?

A: This change does not impact Health Net life insurance policies. Groups may contact Health Net to make any changes to their policy.

Q: What do groups have to do now?

A: Employer groups should review the notice provided by Health Net and work with their broker or benefits consultant to evaluate replacement coverage options. Groups will,

generally, distribute employee/member communications consistent with their contract with Health Net, using a Health Net-provided template to ensure affected employees receive timely and accurate information.

Q: What alternatives do we have now?

A: Employers should search for new alternative coverage.

Q: Does this impact broker commissions?

A: No changes are expected to broker commissions for active commercial group policies before the policy termination or non-renewal date, subject to the terms of the applicable broker agreement and commission schedule.

Q: What should members who are undergoing treatments that will last past the end of the policy do?

A: Members who are receiving ongoing care should contact their current provider and their new health benefits provider as soon as possible to discuss transition-of-care or continuity-of-care options. Depending on the member's condition, provider participation, and the rules of the new plan, the member may be able to request continuity of care for a limited period. In California, continuity-of-care protections may apply in certain situations. Members should contact their new plan for specific instructions and eligibility requirements.

Q: What do members with pre-authorizations do?

A: Members with existing prior authorizations should keep a copy of their authorization information and share it with their new health benefits provider as soon as their new coverage is selected. Prior authorizations issued by Health Net may not transfer to a new carrier. Members should work with their provider and new plan early to help avoid disruption.

Q: What do members on prescription medications do?

A: Members who take ongoing medications should speak with their prescribing provider and pharmacy before their Health Net coverage ends. Where allowed by the plan, medication, pharmacy and prescribing rules, members may wish to request the longest refill available before the end of their current coverage period. Members should also contact their new health benefits provider as soon as possible to confirm formulary coverage, prior authorization requirements, step therapy requirements, specialty pharmacy requirements and refill timing for their medications.

Q: When will members and groups receive formal notice?

A: Health Net will provide notice to affected groups and members in accordance with contractual and regulatory requirements. That will begin in September.

Q: Will members be able to keep their doctors?

A: Provider networks vary by carrier and plan. Members should review the provider directory for their new health plan or contact the new carrier directly to confirm whether their current doctors, hospitals and specialists are in network. Members receiving ongoing treatment should also ask about continuity-of-care options.

Q: Will deductibles and accumulators transfer to the new carrier?

A: Deductibles, out-of-pocket maximums and other accumulators may not automatically transfer to a new carrier – especially if the policy expires midyear. Groups should discuss accumulator handling with their broker, consultant and replacement carrier.

Q: Who should brokers or groups contact with questions?

A: Brokers and employer groups should contact their Health Net account representative for questions about timing, notices, available transition resources and next steps.