

Crossover guidelines for HMO and deductible plans

Sometimes employers have business needs that require them to change their Kaiser Permanente plan in the middle of their accumulation period.¹ Depending on the kinds of changes made, a midyear plan change will either cause employees' credits toward their deductibles and/or out-of-pocket maximums to reset to zero or to cross over to the new plan.

This guide identifies when these credits will reset to zero and when they'll cross over. It applies to the following Kaiser Permanente plan types:

- Traditional HMO
- Deductible HMO
- Traditional HMO with coinsurance
- HSA-qualified High Deductible Health Plan (HDHP) HMO

When do deductible and out-of-pocket maximum credits reset?

In general, changing from one Kaiser Permanente plan to another in the middle of an accumulation period won't reset members' deductible and/or out-of-pocket maximum credits. However, if there's a change of employer or purchasing channel, these credits may reset to zero.

Employer and channel changes

Most employer changes made in the middle of an accumulation period will cause members' deductible and/or out-of-pocket maximum credits to reset to zero. Common situations involving an employer change include:

- An employer merges with or is purchased by another company
- Part of a company breaks away and becomes a separate employer

Deductible and/or out-of-pocket maximum credits may also reset to zero if there's a channel change. This is a change in how employers acquire Kaiser Permanente health coverage – for example, if they change from a plan purchased directly from Kaiser Permanente to one obtained through a public exchange or through CaliforniaChoice®.

See the table on the next page for more detailed information.

Midyear plan changes

The table below shows the most common situations involving a midyear plan change. “Yes” indicates members’ accumulation credits will cross over to the new plan. “No” means they’ll reset to zero.

Do deductible² and out-of-pocket maximum³ credits cross over to the new plan?

Scenario	HMO ⁴ to HMO DHMO ⁵ to DHMO HSA-qualified HDHP HMO plan to HSA-qualified HDHP HMO plan	HMO ⁴ to DHMO ⁵ (or vice versa)	HMO ⁴ to HSA-qualified HDHP HMO plan (or vice versa)	DHMO ⁵ to HSA-qualified HDHP HMO plan (or vice versa)
Employee changes plans but keeps same employer – for example: <ul style="list-style-type: none"> Moves from one California region to another⁶ Has a break in coverage during a single accumulation period 	Yes	Yes	Yes	Yes
Employee changes employer – for example: <ul style="list-style-type: none"> A merger or acquisition A breakaway 	No	No	No	No
Employee moves to or from an Individual and Family plan to or from employer group coverage	No	No	No	No
Employer changes from calendar-year accumulation to plan-year accumulation or vice versa	No	No	No	No
Employer with calendar-year accumulation changes plans on their non-January 1 renewal date	Yes	Yes	Yes	Yes
Large Business employer transfers to or from a private exchange (excluding CaliforniaChoice)	Yes	Yes	Yes	Yes
Employer transfers to or from CaliforniaChoice or Covered California for Small Business	No	No	No	No

Please note: If any of the plan changes noted “Yes” above coincide with a change in the customer/purchaser identification number (CID/PID) – for example, when moving from Small Business to Large Business – please contact your Kaiser Permanente representative.

Last quarter carryover option for large groups

Large Business employers that are moving to and from a deductible HMO plan can purchase a last quarter carryover option. For new groups, it offers one-time, transitional support to help offset the reset of employee deductible and/or out-of-pocket maximum credits when an accumulation period is less than 12 months – for example, if an employer starts offering Kaiser Permanente coverage on July 1 but has a calendar-year accumulation period.^{7,8}

When the last quarter carryover option is purchased as part of a new sale, it allows employees to carry over any deductible and/or out-of-pocket maximum credits earned during the last 3 months of the current accumulation period to the following accumulation period.

Here’s an example of how this works:

Year 1	
7/1	Employer joins Kaiser Permanente with a calendar-year accumulation period and purchases the last quarter carryover option.
7/1–12/31	Employees accumulate credits toward their deductibles and/or out-of-pocket maximums through the end of the year.
Year 2	
1/1	<ul style="list-style-type: none">• Employees’ deductibles and/or out-of-pocket maximums reset to zero on 1/1.• Employees’ deductible and/or out-of-pocket maximum credits earned during the last 3 months of the accumulation period (10/1 to 12/31) for year 1 will be applied to the deductible and/or out-of-pocket maximum for year 2.• Employees begin to accumulate credits toward their deductibles and/or out-of-pocket maximums.
7/1 –12/31	<ul style="list-style-type: none">• Employer renews contract with Kaiser Permanente.• Employees continue to accumulate credits toward their deductible and/or out-of-pocket maximums through the end of the year.

Questions? If you have questions about deductible and/or out-of-pocket maximum crossover, please call us at **800-390-3507** and select “broker.”

1. Small Business employers are only allowed to change plans at renewal. 2. Pharmacy deductible credits will cross over when moving from one plan in which pharmacy applies toward the deductible to another one within the same region in California. 3. Pharmacy out-of-pocket maximum accumulation credits will cross over when moving from one plan where pharmacy accumulates to the out-of-pocket maximum to another where pharmacy also accumulates to the out-of-pocket maximum. 4. HMO plans include our traditional HMO and traditional HMO with coinsurance. 5. DHMO plans include our deductible HMO. 6. In this case, employees must request that their deductible and/or out-of-pocket maximum credits be applied to their new plan by calling our Member Service Contact Center at 800-390-3507. 7. The last quarter carryover option is only available to Large Business employers (with 101+ benefits-eligible employees) who move to and from a deductible HMO plan. It’s not available to employers who move to or from a traditional HMO, a traditional HMO with coinsurance, or an HSA-qualified HDHP HMO plan. 8. The last quarter carryover option will work differently for renewing Kaiser Permanente groups purchasing this option for the first time. Please contact your Kaiser Permanente representative for more information.