



PPACA Small Group Definition Change for 2016

Producer Communication #711

Issued May 20, 2015

Message

Beginning in 2016, PPACA will consider groups size 1-99 Small Group. In preparation of this upcoming PPACA change, Capital will be seeking group size attestations from accounts currently in the Mid-Market segment that have not previously provided a signed attestation or a recent MLR response. This information will be used to determine the appropriate 2016 renewal quote.

Underwriting Compliance will mail letters beginning later this month to these accounts. A cover letter and attestation form will be included in the mailing. Mailings will occur monthly based on the group's renewal date.

When a response is received from the group, underwriting will make it available on the account attachments tab within Sales360°.

Questions

Contact your Preferred Agent with any questions. Thank you.



<Month DD, YYYY>

<PM Name>

<PM title>

<Group Name>

<Grp Address>

RE: Group No. <005xxxx>

Dear Mr./Mrs. <Policymaker Last name>:

Capital BlueCross appreciates the opportunity to serve your health and wellness needs and is pleased to be your company's health benefits provider.

As you know, the Affordable Care Act (ACA) continues to bring extensive changes and many new regulations to the health care industry. Capital BlueCross is here to help you understand the ACA and its impact to your business and employees.

One of the changes coming in 2016 affects how small groups are defined. Beginning January 1, 2016, employers with 51-99 employees will now be considered small groups. In 2016, a small group will include any employer with an average of less than 100 employees (full-time or part-time, regardless of their eligibility for benefits). While our records indicate that you have fewer than 100 employees currently enrolled for group coverage with Capital BlueCross, you may have employed more than an average of 99 individuals in the calendar year ending prior to the renewal date.

To help us prepare an accurate renewal package for you for 2016, we need to verify your group size. Please calculate your average number of employees in 2015 by considering your total number of full-time and part-time employees, regardless of their eligibility for benefits.

Once you determine your average number of employees for 2015, please complete, sign, and return the enclosed Certification of Group Size document by <2 weeks from mail date>. For your convenience, a self-addressed envelope is enclosed or, if you prefer, you can fax the information to me at 717.####.####.

If we do not hear from you by <due date>, we will take that as confirmation that we should classify you as a small group for 2016. Your renewal document will help explain the changes to your plan offering for 2016. If you have any questions concerning this request, please contact me at 717.541.####. If you have a question about your plan, please contact your Sales Executive or Producer.

Thank you for choosing Capital BlueCross. We appreciate your business and look forward to continue serving you with excellence.

Sincerely,

<Specialist name>

Underwriting Compliance Specialist

Enclosure

grpsize03

Harrisburg, PA 17177 | capbluecross.com



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Certification of Group Size

As the Policymaker for _____ (Group Name), I hereby certify that for purposes of applying for health insurance coverage and compliance with federal health care laws, the employer group stated above consists of the following average number of employees during the prior calendar year:

Average number of employees calculated based on 20__ calendar year

Fewer than 51 average number of employees ☐

Between 51–99 average number of employees ☐

100 + average number of employees ☐

If you are part of a controlled group of plans, please provide the total number of employees in the controlled group. See the employer aggregation rules, at IRC Section 414, to determine if you are part of a controlled group of plans.

Average number of employees should be calculated as of the end of the calendar year ending immediately prior to the calendar year in which coverage becomes effective or renews. If the prior calendar year is not yet finished when completing this form, estimate the count by using the actual count of employees for completed months and estimated counts for months not yet completed (see the example below). If your business was not established in the prior calendar year, you may estimate using the current year's employment counts.

The average number of employees can be calculated by counting all common-law employees (including FT, PT, Seasonal intermittent, and in and out of area employees to whom you issue a W-2) that were employed during each calendar month of the year, adding together the counts for each month, and dividing by 12.

EXAMPLE 1: For a group with a 4/1/2015 renewal date; count the number of common-law employees the employer group had each month in 2014, add together the counts for each month, and divide by 12.

EXAMPLE 2: For a group applying in mid-November of 2014 for coverage with a January 2015 effective date; count the number of common-law employees the employer group had in the first ten months of 2014, estimate the number of common-law employees you anticipate for November and December 2014, add together the counts for the twelve months of 2014, and divide by 12.

I understand that Capital BlueCross will rely on this Certification in connection with determining which medical products and rating methodology the group is eligible for and for compliance with federal laws, including the Patient Protection and Affordable Care Act. The group hereby agrees to indemnify Capital BlueCross for any claims, damages, fines, or penalties which it may incur as a result of its reliance on this Certification.

Policymaker Printed Name

Policymaker Printed Title

Policymaker Signature

Date