

Change to Small Group PPACA Renewal Approach

Producer Communication #718

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Message

On Wednesday, March 5, 2014, the U.S. Health and Human Services (HHS) department announced that its November 2013 transitional guidance was extended for up to two years. This extension allowed insurers – with concurrence from their state insurance commissioner – to offer small groups (50 or fewer employees) the option to renew their non- PPACA health plans beyond 2013. This guidance allowed small groups to retain their coverage until October 1, 2017 as the carrier decides on an annual basis. Capital BlueCross elected to offer small groups with renewal dates beginning in June 2014 the transitional relief policy. For more information on the transitional relief policy, see *Producer Communication #671-Small Group Renewal and Individual Plan Updates*.

Beginning January 1, 2016, small group will be defined as a group having 100 or fewer employees during the calendar year proceeding the renewal date, thus allowing transitional relief to our Mid-Market groups as well.

Details

Since the election to allow transitional relief (aka Like It Keep It - LIKI) in June 2014, Capital BlueCross recently re-evaluated the impacts and took the new PPACA regulations into consideration. The transitional policy is a temporary solution with an unpredictable future after October 1, 2017. PPACA policies and regulations appear to be here to stay, allowing groups an opportunity to budget their health insurance premiums over the longer term.

CBC has decided to change our approach beginning with October 1, 2015 Small Group and January 1, 2016 Mid-Market renewals. Capital will present competitive ACA compliant plan renewals up front to group customers currently offering non ACA options.

Advantages

By changing our approach, Capital can offer:

- A significant across-the-board PPACA rate reduction allowing us to be more competitive in the market
- More favorable PPACA rates than comparable LIKI plans
- PPACA plans provide additional benefits and coverage including but limited to:
 - Medical and Rx Copays, Deductible, and Coinsurance accumulate towards the MOOP
 - Pediatric Vision/ Pediatric Dental
 - Habilitative Services
 - No dollar limits on DME, prosthetics, and orthotics
- Provide individual employee and dependent pricing detail which allows employers to establish various scenarios of employee cost share
- PPACA plans are consistent in the market
- Numerous plan options available
- Telehealth (more to come on this exciting benefit enhancement for 2016)

Current Small Groups

Starting in July 2015, Capital BlueCross will begin sending the PPACA renewal documents as the assumed renewal quote to those groups who previously decided to take advantage of the LIKI offer (including LVC and CIT) beginning with October 1, 2015 renewals.

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If the group wants to continue to offer their Small Group LIKI plan(s), they will need to take action by requesting a quote from their Account Executive and Producer. A signed group application and proposal rate sheet for the LIKI plan(s) will need to be returned to Capital prior to the effective date. Submission deadlines for each effective date are available in the Underwriting Compliance Guidelines.

As a reminder, if a group is electing to continue offering LIKI plans must stay within the same entity (i.e. currently offer HMO cannot elect PPO and vice versa).

Mid-Market Groups

Because PPACA small group requirements will be extended to groups with 100 or fewer employees, our current Mid-Market segment (51-99) will eventually dissolve. Realizing we have current Mid-Market groups who have over 100 employees, but less than 100 employees enrolled, a new internal market segment has been created: Central Group. Because Central Group employers have greater than 100 employees, they will not be impacted by PPACA Small Group regulations.

In order to properly identify which employers properly fall into the Central Group segment, Capital BlueCross began sending group size attestation forms (*Attachment A*) to Mid-Market groups at the end of May. For more information please refer to *Producer Communication #711- PPACA Small Group Definition Change for 2016*.

If a group responds to the form or through a Medical Loss Ratio Questionnaire (MLR) that they have greater than 100 employees, Sales360° will be updated to reflect the group size indicated and the attestation form will be attached. If a group does not respond to the form, Capital will not follow up and the group will be assumed to have 100 or fewer employees. Groups are asked to attest to their size on a yearly basis to ensure proper segment placement.

Starting in October, for groups with January 1, 2016 effective dates, Capital BlueCross will begin sending:

- Central Group renewal documents to those groups who have indicated they have greater than 100 employees and less than 100 enrolled on either a Group Size Attestation form or their MLR response.
- PPACA Small Group renewal documents as the assumed renewal to those groups who have indicated they have 100 or fewer employees through a Group Size attestation form or an MLR response, OR a failure to respond to either.
In accordance with the transitional relief, Capital will allow these group to retain their current coverage, but the group must take action by requesting a quote from their Producer or Account Executive and provide a signed group application and rate sheet to Capital prior to the effective date. Submission deadlines for each effective date are available in the Underwriting Compliance Guidelines.

Blue Suite ASO

Capital's complete self-funding solution is also available for small groups interested in exploring their health plan options. Groups with 20-99 enrollees may be interested in the Blue Suite ASO's product portfolio and reporting package.

Attachments

- **Attachment A** – Attestation Form

Questions

Contact your Preferred Agency with any questions. Thank you.