Dear [Name]

Blue Cross Blue Shield of Massachusetts is conducting our annual Patient Protection and Affordable Care Act (PPACA) survey to satisfy federal government requirements. This survey defines the size of your company (small vs. large) for potential rebate purposes.

**Why Does It Benefit You to Complete this Survey?**

The PPACA requires insurance companies to annually report our Medical Loss Ratio (MLR) to federal regulators and pay rebates to our accounts if certain MLR targets aren’t met. The calculation of the MLR is based, in part, on the size of the employer groups that we insure. To calculate MLR for 2019 and determine if any rebates are due to your company in 2020, we need to know whether your company should be categorized as a “small” or “large” employer group.

**Why Do You Need to Calculate and Report the Number of Employees?**

If Blue Cross Blue Shield of Massachusetts is required to issue MLR rebates in 2020, the size of your company will be a factor in determining if you’ll be eligible for a rebate. That’s why we are asking you to complete the enclosed form Employer Group Size Survey by indicating your company’s average number of employees in 2018, consistent with the definition provided in the survey.

If a rebate is due to your company based on the MLR calculations, you must provide detailed reporting information, which we’re required by law to retain and report to federal regulators. You must also distribute the rebate funds (if applicable) proportionally to your employees based on their premium contribution.

**When Should You Return the Survey?**

Please respond to this questionnaire **within the next 10 business days** to avoid receiving unnecessary follow-up calls and letters. Your timely response to this survey is essential to help us determine if your company is eligible to receive a rebate for 2019 if any are required to be issued in 2020. We prefer that you respond online, but you can also respond by mail, phone, or fax if necessary. See below for details.

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<th>To respond online</th>
<th>To respond by mail</th>
<th>To respond by phone</th>
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<tbody>
<tr>
<td>Visit BCBSMAMLR.groupsizeupdatecenter.com and provide the requested information. You’ll need your Account Number and Reference Number (located at the top right of this page).</td>
<td>Complete the enclosed survey and send to: Blue Cross Blue Shield of Massachusetts PO BOX 543099 OMAHA, NE 68154</td>
<td>Contact us at: 888-703-7302</td>
<td>Complete the endorsed survey and fax to: 402-384-6695</td>
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Please refer to the endorsed *Frequently Asked Questions* sheet if you have questions about this annual initiative, or call us at 888-703-7302. Thank you for your assistance and your timely response.

Sincerely,

Blue Cross Blue Shield of Massachusetts

Enclosures: Patient Protection and Affordable Care Act MLR Calculation Employer Group Size Survey, FAQs
Patient Protection and Affordable Care Act MLR Calculation Employer Group Size Survey

Employer Name: 
Account Number: 
Reference Number: 

Employer Identification Number (EIN): 

**Step 1.** If your primary EIN (see above) is incorrect or blank, please supply the correct EIN: 
___________________________.
Note: If the primary EIN is correct, skip to the next step.

**Step 2.** This survey will determine whether your company is a small or large group for calculating the 2019 Medical Loss Ratio (MLR) and potential MLR rebate. Please complete the following:

Please indicate the average number of employees* your company employed in 2018, as defined below for calculating the MLR, by selecting your employer size:

- [ ] Small Employer–Average of 50 or fewer employees AND at least one employee on January 1, 2019.
- [ ] Large Employer–Average of 51 or more employees AND at least two employees on January 1, 2019.

* For purposes of counting employees and determining group size: **An employer's number of employees is determined by averaging the total number of all employees employed on business days during the preceding calendar year** [Section PHS Act §2791(e)(2) and (4)]. Please note: this number includes each full-time, part-time, and seasonal employee. An employee is “any individual employed by an employer” [PHS Act §2791(d)(5)]. **If your company is a sole proprietorship, don’t count yourself or your spouse as employees (for purposes of this survey only)**.

This employer size categorization will be used to calculate the 2019 MLR and help determine whether your company will be eligible for 2019 rebates, if any are required to be issued in 2020.

We'll also rely on you to distribute rebate funds (if applicable) proportionally to your employees, according to federal guidelines.

**Sign and Return:** By signing and returning this form (or by completing this survey), you certify the accuracy of this information and confirm your understanding that we rely on your answers to calculate MLR and any associated rebates as required by federal law. Please return the completed, signed form within the next 10 business days.

Name & Title (Please Print) 
Signature 
Date