



Dept 120830  
PO Box 1259  
Oaks, PA 19456

May 30, 2018

Account Number: 5555555  
Reference Number: 9999999



000001

**BUSINESS NAME**  
JOHN DOE  
123 ANY STREET  
PO BOX 555  
ANY CITY, ST 01010-3333

Dear JOHN DOE:

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 Patient Protection and Affordable Care Act requires insurance companies to annually report our medical loss ratio (MLR) to federal regulators and pay rebates to our accounts if certain medical loss ratio targets are not met. The calculation of the medical loss ratio is based, in part, on the size of the employer groups that we insure. To calculate medical loss ratio for 2018 and determine if any rebates are due to your company in 2019, 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 medical loss ratio rebates in 2019, the size of your company will be a factor in determining if you will be eligible for a rebate in 2019. That is why we are asking you to complete the enclosed form entitled Employer Group Size Survey by indicating your company's average number of employees in 2017, consistent with the definition provided on the survey.

If a rebate is due to your company based on the medical loss ratio calculations, we will need you to provide detailed reporting information, which we are required by law to retain and report to federal regulators. We will also need you to distribute the rebate funds (if applicable) proportionally to your employees based on their premium contribution.

**When Do You Need to Return the Survey?**

To avoid receiving unnecessary follow up calls and letters, please respond to this questionnaire within the next 10 business days. We prefer you respond online, but you can also do so by mail, phone, or fax if needed. See below for details.

 <b>To respond online</b> , visit <a href="http://BCBSMAMLR.groupsizeupdatecenter.com">BCBSMAMLR.groupsizeupdatecenter.com</a> and provide the requested information. You will need your Account Number and Reference Number (located at the top right of this page).	
 <b>To respond by mail</b> , please complete the enclosed survey and send to:  Blue Cross Blue Shield of Massachusetts P.O. Box 69006 Omaha, NE 68106	 <b>To respond by phone</b> , please contact us at 888-703-7302   <b>To respond by fax</b> , please complete the enclosed surveys and fax them to 402-384-6695

Please refer to the enclosed Frequently Asked Questions sheet if you have questions about this annual initiative, or contact us at 888-703-7302. Thank you for your assistance and your timely response.

Sincerely,

Blue Cross Blue Shield of Massachusetts  
Enclosure: Patient Protection and Affordable Care Act MLR Calculation Employer Group Size Survey, FAQ



**Patient Protection and Affordable Care Act MLR Calculation Employer Group Size Survey**

**Employer Name:** BUSINESS NAME  
**Account Number:** 5555555

**Reference Number:** 9999999

**Employer Identification Number (EIN):** 123456789

**Step 1.** If your primary EIN (see above) is incorrect or blank, please supply the correct EIN

\_\_\_\_\_.

Step 2. This survey will determine whether your company is a small or large group for calculating the 2018 medical loss ratio (MLR) and potential MLR rebate. Please complete the following:

**Please indicate the average number of employees\* your company employed in 2017, as defined below for calculating the medical loss ratio, by selecting your employer size:**

- Small Employer—Average of 50 or less employees AND at least one employee on January 1, 2018.
- Large Employer—Average of 51 or more employees AND at least two employees on January 1, 2018.

\* 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, do not count yourself or your spouse as employees (for purposes of this survey only).**

This employer size categorization will be used to calculate the 2018 medical loss ratio (MLR) and help determine whether your company will be eligible for 2018 rebates, if any are required to be issued in 2019.

We will 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 Medical Loss Ratio (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



MLRMA1  
Account Number: 5555555

9999999

0101010



## Annual Medical Loss Ratio Calculation Frequently Asked Questions (FAQs)

No.	Question	Response
1	Why does Blue Cross Blue Shield of Massachusetts need my company's employee identification number (EIN)?	Just as Medicare requires health plans to provide information about the number of employees in each of our accounts, Medicare also requires health plans to provide them with the EIN (also referred to as tax identification number or TIN) of each account. Medicare uses this information to more accurately ensure that claims are paid in the correct priority (priority) relative to each account's size. If your company includes many subgroups, then we only need to capture the primary account's EIN for the purposes of this survey.
2	What is the Patient Protection and Affordable Care Act's (PPACA) medical loss ratio (MLR)?	The Patient Protection and Affordable Care Act is a federal law. One requirement of this law is that health insurance companies report their medical loss ratio to federal regulators and pay rebates if certain medical loss ratio targets are not met. The calculation of the medical loss ratio is based, in part, on the size of the insurance company's employer groups. In order to calculate medical loss ratio for 2018 and determine if any rebates are due in 2019, we need to know whether your company should be categorized as a "small" or "large" employer group, as defined by the Patient Protection and Affordable Care Act.
3	What are the definitions of "small" and "large" employer groups for the purposes of the Patient Protection and Affordable Care Act and medical loss ratio?	A small employer is an employer that employed an average of at least 1, but not more than 50 employees on business days during the preceding calendar year, and that employer at least 1 employee on the first day of the plan year. A large employer is an employer that employed an average of at least 51 employees on business days during the preceding calendar year, and that employer at least 1 employee on the first day of the plan year.
4	What if my company was a new employer and did not have any employees in 2017?	If your company was not in existence in 2017, you should base your group-size count on the average number of employees you reasonably expect to employ on business days in 2018.
5	Why is it important for me to report this information to Blue Cross Blue Shield of Massachusetts?	Medical loss ratio is calculated separately for small and large employer group markets. To calculate MLR for 2018, and determine if any rebates are due to your company in 2019, we need to know whether your company should be categorized as a "small" or "large" employer group for the 2017 reporting year.
6	Why is this certification form necessary? Can't Blue Cross Blue Shield of Massachusetts just go by the number of employees enrolled on our plan to determine our group size?	According to federal law, employer size, for medical loss ratio calculation purposes, is based on the average number of employees employed on business days during the preceding calendar year. [For reference, see Section PHS Act §2791 (e)(2) and (4)] This calculation includes each full-time, part-time, and seasonal employee. Since the total number of employees enrolled on your plan may be different than the total number of employees working during the time frame noted above, we need you to provide us with the correct information, as we do not know the total number of employees at your organization in 2017.
7	Do I have to include part-time employees when determining my employer size?	Yes. For the purposes of this questionnaire, your employee count includes all full- and part-time employees.
8	I own my company. Am I considered an employee?	Yes.
9	Do I need to include retirees in my total employee count?	No, unless they were active employees for all or a portion of 2017. Count only employees who were active during the 2017 calendar year. Retirees are not considered employees.
10	My company is a sole proprietorship. Does this survey apply to me?	Yes.
11	Could my answers to these questions affect my premium payments?	Possibly. The purpose of this survey is to determine your employer group size to calculate our medical loss ratio and to determine if any rebates are due in 2019. Indirectly, the medical loss ratio calculations could lead to future changes in your premium, as Blue Cross Blue Shield of Massachusetts reviews premium rates on each employer's anniversary date to determine if changes are necessary.
12	Should I include out-of-state employees in my count?	Yes. You should count all of your employees who were active for all or a portion of 2017, regardless of whether they were enrolled in your Blue Cross Blue Shield of Massachusetts plan or where they were located.
13	Does this mean my company might be considered a large group for MLR purposes, even though I am a small group for other purposes?	Yes. Because the definitions of employer size are different for various federal laws and programs, your organization might be classified differently for different purposes.
14	If it is determined that my company is due a rebate, when will I receive it?	If your company is due a rebate, Blue Cross Blue Shield of Massachusetts will issue a rebate on your premium in time for you to distribute rebates to employees by September 30, 2019.

