



Dept 120830
PO Box 1259
Oaks, PA 19456

MASSACHUSETTS

July 19, 2017

Account Number: 1234567
Reference Number: 9876543

DECORATING BY JANE
JANE DOE
123 MAIN ST
ANYTOWN MA 01234-1234

Dear JANE 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 2017 and determine if any rebates are due to your company in 2018, 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 2018, the size of your company will be a factor in determining if you will be eligible for a rebate in 2018. 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 2016, 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 via one of the following:

 Visit BCBSMA.groupsizeupdatecenter.com and provide the information requested. You will need your Account Number and Reference Number (at top right of this page) to log in.

 If you are unable to respond online, please complete the attached surveys and mail to:
Blue Cross Blue Shield of Massachusetts
P.O. Box 543099
Omaha, NE 68154

 Otherwise, please complete the enclosed surveys and fax 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: DECORATING BY JANE

Account Number: 1234567

Reference Number: 9876543

Employer Identification Number (EIN): 111111111

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 2017 medical loss ratio (MLR) and potential MLR rebate. Please complete the following:

Please indicate the average number of employees* your company employed in 2016, 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, 2017.
- Large Employer—Average of 51 or more employees AND at least two employees on January 1, 2017.

* 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 2017 medical loss ratio (MLR) and help determine whether your company will be eligible for 2017 rebates, if any are required to be issued in 2018.

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

