<MF02>

<MF28> <MF07> <MF08> <MF09> <MF10> <MF11>, <MF12> <MF13> Account Number: <MF06> Reference Number: <MF05>

Dear <MF07> <MF08>:

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 or large) for potential rebate purposes.

Why You Should Complete This Survey

The PPACA requires insurance companies to report our Medical Loss Ratio (MLR) to federal regulators annually, 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 2021 and determine if any rebate is due to your company in 2022, we need to know whether your company should be categorized as a "small" or "large" employer group.

Why You Need to Calculate and Report the Number of Employees

If we're required to issue MLR rebates in 2022, the size of your company will be a factor in determining if you'll be eligible for a rebate. That's why we're asking you to complete the enclosed *Employer Group Size Survey* and indicate your company's average number of employees in 2020, 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 to Return This Survey

Please respond within the next 10 business days to avoid receiving unnecessary follow-up calls and letters. Your timely response to this survey will help us determine if your company will receive a rebate for reporting year 2021. Rebates would be issued in 2022. We prefer that you respond online, but you can also respond by mail, phone, or fax. See below for details.

To respond online, visit www.example.com To respond online, visit www.example.com To respond online, visit www.example.com Number and Reference Number (located at the top right of this page).		
To respond by mail, please complete the enclosed survey and send it to:	To respond by phone, please call us at: <mf26></mf26>	
Blue Cross Blue Shield of Massachusetts < <mf21>> <<mf22>> <<mf23>>, <<mf24>> <<mf25>></mf25></mf24></mf23></mf22></mf21>	To respond by fax, please complete the enclosed survey and fax it to: <mf27></mf27>	

Questions?

If you have questions, refer to the enclosed Frequently Asked Questions sheet, or call us at <MF26>. Thank you for your 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: <MF28> Account Number: <MF06>

Reference Number: <MF05>

Employer Identification Number (EIN): <<u>MF31></u>

Step 1. If your primary EIN (see above) is incorrect or blank, please provide 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" employer group for calculating the 2021 Medical Loss Ratio (MLR) and potential rebate. Please complete the following:

Please indicate the average number of employees* your company employed in 2020, as defined below for calculating the MLR, by selecting your employer size:	<>
Sole Proprietorship (don't count yourself or your spouse as employees (for purposes of this survey only))	Ľ
Small Employer (average of 50 or fewer employees AND at least one employee on January 1, 2021)	< <mi04>></mi04>
Large Employer (average of 51 or more employees AND at least two employees on January 1, 2021)	
* 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 <u>preceding calendar year</u> [Section PHS Act §2791(e)(2) and (4)]. This includes each full-time, part-time, and seasonal employee. An employee is "any	
individual employed by an employer" [PHS Act §2791(d)(5)].	
We'll use this employer size categorization to calculate the 2021 MLR and help determine whether your company will receive a rebate for reporting year 2021. Rebates would be issued in 2022.	
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 and 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 rebate as required by federal law. **Please return the completed and signed survey within the next 10 business days.**

Name and Title (Please Print)

Signature

Date

Account Number:

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