

Annual Medical Loss Ratio Employer Survey

The Affordable Care Act (ACA) requires Blue Shield of California and other insurers to spend a certain percentage of premium revenue on medical expenses. This percentage is called the Medical Loss Ratio (MLR). If we do not meet the required MLR for 2024, we will be required to pay rebates to employers and individuals by September 30, 2025.

WE NEED TO OBTAIN THE FOLLOWING INFORMATION FROM YOU BY March 31, 2025

- The average number of employees for your business in **calendar-year 2023 (used for statistical sampling purposes)** so that your group can be accurately categorized for MLR purposes. See guidelines below.
- Is this business wholly owned by one individual or the individual and his/her spouse or registered domestic partner? Please respond yes or no.
- Are you a non-governmental or non-ERISA plan? See guidelines below.

HOW TO SUBMIT THIS INFORMATION

You can submit your information online by following these simple steps:

1. Go to <https://www.blueshieldca.com/groupsizes>.
2. Enter the following information:
 - a. Customer Number: **<GROUP_ID>**
 - b. Web Key: **#44n50c**
3. Click the *Find Now* button to launch the form for completion (your company name will appear).
4. Provide the requested information and then click the *Submit My Info* button.

You also have the option to submit your information via fax using the form on the back of this letter.

WHO SHOULD BE INCLUDED IN THE EMPLOYEE COUNT?

Any employee who received a W-2 for 2023 – whether full-time, part-time or seasonal, and regardless of whether the employee was eligible for or enrolled in health coverage – should be included in the employee count. Retirees and 1099 contractors should **not** be included. Calculation information is on the next page of this letter.

Please note: If you do not submit your employee count by March 31, 2025, we will categorize your group size based on our records, which could impact the MLR calculation and any possible rebate.

HOW DO I KNOW IF I AM A NON-GOVERNMENTAL OR NON-ERISA PLAN?

A majority of employer plans are subject to the Employee Retirement Income Security Act of 1974 (ERISA). However, if you know that your group medical insurance plan is **not** subject to ERISA, we need to know. Examples of health plans that are probably **not** regulated by ERISA include plans that are sponsored by 1) churches and/or religious organizations, 2) school systems and/or school boards, 3) local government entities such as municipalities, counties and public utilities, and 4) Native American tribes or reservations or entities.

Please note: If you are a non-governmental, non-ERISA plan (e.g., church plan) employer, federal law requires that we receive written assurance that you will allocate any future rebates received according to one of the three methods prescribed by the ACA. By using our online survey, you can automatically attest, saving yourself an extra step later.

We appreciate your help in providing this information to assist us in meeting this requirement of federal health reform. If you have any questions about this request, please feel free to contact us. Small Businesses (1-100 employees) can call (800) 325-5166 and Large Groups (101+ employees) can call (855) 747-5809.

MLR Employer Information Fax Submission Form

If you cannot submit your MLR information online, please complete the information on this form and fax it to Blue Shield.

To complete this form:

1. Calculate your 2023 average employee count (an example is provided below).
2. Input the employer information requested in the fields provided.
3. Fax the completed form (toll-free) to **(855) 895-3497**.

An example of how to calculate the average number of total employees

Determine the average number of employees for each month in 2022, or the number of employees on a particular day of each month, add the employee counts for each month together and then divide the total by 12, rounding up or down to the nearest whole number. In the example below, $740 \div 12 = 61.66$, or 62 employees. This would fall into the 51-100 range for average employee count.

| Employee Status | JAN 2023 | FEB 2023 | MAR 2023 | APR 2023 | MAY 2023 | JUN 2023 | JUL 2023 | AUG 2023 | SEP 2023 | OCT 2023 | NOV 2023 | DEC 2023 | Total 2023 | Average (Total ÷ 12) |
|-----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------------------|
| Full-time | 44 | 44 | 44 | 44 | 44 | 52 | 52 | 52 | 52 | 49 | 49 | 44 | 570 | 740 ÷ 12 = 62 (Avg) |
| Part-time | 16 | 16 | 16 | 16 | 10 | 5 | 5 | 5 | 5 | 10 | 10 | 16 | 130 | |
| Seasonal | 0 | 0 | 0 | 0 | 0 | 10 | 10 | 10 | 10 | 0 | 0 | 0 | 40 | |
| Total | 60 | 60 | 60 | 60 | 54 | 67 | 67 | 67 | 67 | 59 | 59 | 60 | 740 | |

Average number of employees in 2023 (check one): 1-50 51-100 101+

Is your business wholly owned by one individual or the individual and his/her spouse or registered domestic partner? YES NO

If yes, do you have an employee or employees – other than you and/or your spouse or registered domestic partner – covered under the same policy/plan as yourself? YES NO

Is your group plan classified under federal law as a non-ERISA plan (e.g., church plan)? YES NO
If yes, you will subsequently be sent an attestation related to how MLR rebates must be distributed to plan participants. Failing to sign this form will result in any rebate owed your company being sent to plan subscribers (or you may attest through the website URL provided).

Is your group a state, municipality or other non-federal governmental plan? YES NO

Group Name: <GROUP_NAME>

Customer Number: <GROUP_ID>

Group contact printed name

Title

Date

Group contact email:

Please fax this form back to (855) 895-3497 by March 31, 2025