



Annual Medical Loss Ratio (MLR)

Submitting group MLR information via the MLR survey - Frequently Asked Questions

FAQs by Topic

1. [MLR General](#)
2. [Survey](#)
3. [Deadline and Resubmission](#)
4. [Customer Support](#)
5. [Rebates and Calculations](#)

MLR General

1. What is the Medical Loss Ratio regulation?

Under the Affordable Care Act (ACA), health carriers are required to refund part of the premiums it receives if it does not spend at least 80 percent of the premiums on healthcare services such as hospital bills and activities to improve health care quality and patient safety. In other words, no more than 20 percent of premiums may be spent on administrative costs such as salaries and advertising. This requirement is referred to as the "Medical Loss Ratio" standard or the "80/20 rule". The 80/20 rule in the Affordable Care Act is intended to ensure that consumers get value for their health care dollars.

2. Do the percentages of premiums spent on health care quality improvement activities vary by line of business?

Yes. The Affordable Care Act requires that health carriers spend at least:

- 80% of premiums received for Individual and Family Plan and Small Group employer groups (defined as employer groups with 1-100 employees) on medical care or quality improvement programs.
- 85% of premiums received for Large Group employer groups (defined as employer groups with 101+ employees) on medical care or quality improvement programs.

3. Do groups need to calculate MLR themselves?

No, Blue Shield will calculate MLR. Groups do not need to calculate MLR. You may find the formula in the "Rebates and Calculations" section of this FAQ document for reference.

Blue Shield of California Medical Loss Ratio FAQs
Updated January 17, 2025

4. Which plans and lines of business are subject to MLR requirements?

The MLR reporting and rebate requirements apply to all fully-insured groups and IFP medical plans, including grandfathered plans.

5. Does MLR apply to self-funded (ASO) groups?

The MLR requirements of health reform do not apply to self-funded (ASO) business or Shared Advantage plans.

6. Does MLR apply to Medicare Supplemental (Med Supp) plans?

The MLR requirements of health reform do not apply to Medicare Supplemental plans.

7. What do groups need to do to ensure MLR is calculated accurately, and any rebates owed are received?

Blue Shield will be handling the MLR calculation requirements and be reaching out to groups if any rebates are owed. Groups with less than 150 employees must, however, complete the Annual Blue Shield MLR survey to provide information needed to calculate MLR. A link to this survey was sent to impacted groups via an email communication from Blue Shield.

8. How does MLR impact the Employee Retirement Income Security Act (ERISA) v. non-ERISA employer groups?

Both ERISA and non-ERISA employer groups are eligible for an MLR rebate. An MLR Employer Survey (the Annual Blue Shield MLR Survey) is sent at the beginning of the year to help Blue Shield determine if groups are ERISA or non-ERISA and to obtain an employee count from each group. Non-ERISA groups confirm that they are in fact non-ERISA groups and attest to the ACA-required allocation of any rebate they may receive. If Blue Shield does not receive an attestation from a non-ERISA group, then Blue Shield is required to send the rebate (if they are owed one) directly to the subscribers.

Survey

1. Who needs to complete the Annual Blue Shield MLR survey?

Only groups with 150 employees or less need to complete the MLR survey. Groups who fall in this category, along with brokers, were sent an email communication with a link to the survey as well as a web key needed to complete the survey. Brokers may submit information on behalf of their group as well.

2. Where can I find a link to the survey?

Here is a link to the survey: <https://www.blueshieldca.com/ewa/unauth/mlrSurvey>

Blue Shield of California Medical Loss Ratio FAQs
Updated January 17, 2025

3. How can I access the survey?

Submitters must use the group ID and following web key: #44n50c to access and complete the survey.

4. What information is required in the intake form?

- The average number of employees for their business in calendar year 2023 (used for statistical sampling purposes).
- Whether their business is wholly owned by one individual and his/her spouse.
- Whether they are a non-governmental or non-ERISA plan.

As a reminder, when calculating 2024 MLR rebates owed, 2023 information is used for statistical sampling purposes. If any rebates are owed, these will be issued by September 30, 2025.

5. Is there an option for groups to send requested information via fax or email?

Groups may submit information via fax via fax using this form here:

<https://www.blueshieldca.com/content/dam/bsca/en/broker/docs/2025/shared/2024-MLR-Employer-Fax-Form.pdf>

There is currently no option for groups to email back the form to Blue Shield.

6. Is one method for submission better than the other?

Blue Shield prefers the group to submit the survey via the online portal.

Non-governmental, non-ERISA plan employers who submit their information using the online survey will be able to automatically attest that any future rebates they receive will be allocated to their subscribers in one of the three ways outlined by the ACA.

Non-ERISA employers who return their MLR survey via fax will receive an attestation form via mail that they will need to return to Blue Shield. Having groups return their surveys using the online method may save them a step later in the process. ERISA employers are not subject to the attestation form.

7. Why do only groups with 150 employees or less need to complete the MLR survey and not other larger groups?

Blue Shield is only requesting information from groups with 150 employees or less as we must accurately classify groups as a small group (defined by MLR requirements as employer groups with 1-100 employees) or a large group (defined by MLR requirements as employer groups with 101+ employees) based on employee count. Since the cut off is 100 employees, our approach is to reach out to all groups with 150 or less employees to obtain accurate employee counts and correctly categorize these groups that may fall in either category, into either small or large group per MLR definitions, to then apply the correct MLR percentage (80% for Small groups and 85% for Large

Blue Shield of California Medical Loss Ratio FAQs
Updated January 17, 2025

groups) in determining rebates.

We automatically categorize groups with 150 employees or more into the Large group category and no information via the MLR survey is needed from these groups.

8. Why does Blue Shield need an employee count to calculate MLR?

The provision rules state that the MLR calculation must be based on group size as determined by the average number of employees in the group during the prior calendar year. The average number of employees in the group in 2023 is used (for statistical sampling purposes) to calculate the MLR for 2024. Any rebates owed, are then issued in 2025.

9. Which employees should be counted in the “average number of employees”?

The employee count should include any employee who received a W-2 for 2023. It makes no difference whether an employee was full time, part time, or seasonal, or whether the employee was enrolled in a Blue Shield health plan.

10. How can employers calculate the “average number of employees”?

Based on the requirements of the MLR provision, one way to perform the calculation is to determine the number of employees for each month, add them together, and divide the total by twelve, rounding up or down to the nearest whole number.

11. Why does Blue Shield need to know if a business is on a non-federal government plan or non-ERISA plan?

The U.S. Department of Labor (DOL) has specific MLR rebate distribution rules for non-federal government and non-ERISA plans. Both Blue Shield and the employer group must adhere to these rules.

12. What is a non-federal government plan?

A non-federal government plan is a health plan for a governmental entity that is not a part of the federal government, such as a state or municipal entity.

13. What is a non-ERISA plan?

A non-ERISA plan is a health plan for an employer not subject to the Employee Retirement Income Security Act of 1974 (ERISA).

14. What kinds of businesses are typically non-ERISA?

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.

Blue Shield of California Medical Loss Ratio FAQs
Updated January 17, 2025

Deadline and resubmission

15. When is the deadline for groups with less than 150 employees to complete the MLR survey?

The deadline to provide information via the Blue Shield MLR Survey is March 31, 2025.

16. What happens if the employee count is not received by the deadline?

Groups who do not submit their employee count by March 31, 2025, will be categorized based on the number of enrollees in our records. This may impact the calculation and affect potential rebate amounts.

17. If the employee count that Blue Shield has listed for an employer group is incorrect, how can the group get it corrected?

Employer groups can resubmit employee count data using www.blueshieldca.com/ewa/unauth/mlrSurvey until March 31, 2025. After that date, Blue Shield will use the last submission to determine group size.

18. How often will groups be reminded to complete the survey?

There will be three touchpoints between January 2025 and March 31, 2025 to get employer groups to complete the MLR survey required to calculate rebates. Below are the dates:

- January 28
- February 20
- March 20

Customer support

19. Who can an employer group contact if they need help?

Groups may direct any of their questions to MLRAssist@blueshieldca.com or call the following numbers based on LOB:

- **Small Groups**
 - (Employer Services): (800) 325-5166
- **Core**
 - Shield Elite: (844) 831 - 4134
 - Core Priority: (855) 747 -5809
 - Premier Priority (Large Group Admin): (888) 686-5751

Blue Shield of California Medical Loss Ratio FAQs
Updated January 17, 2025

Rebates and Calculations

20. If the employee count was submitted, does that mean the employer group will get a rebate?

Submitting a survey response does not imply or guarantee that an employer group will receive a rebate, as any rebates owed depends on other factors in addition to employee count, proprietorship, and ERISA status information.

21. Which employees should be counted in the “average number of employees”?

The employee count should include any employee who received a W-2 for 2023. It makes no difference whether an employee was full time, part time, or seasonal, or whether the employee was enrolled in a Blue Shield health plan.

22. How can employers calculate the “average number of employees”?

Based on the requirements of the MLR provision, one way to perform the calculation is to determine the number of employees for each month, add them together, and divide the total by twelve, rounding up or down to the nearest whole number.

23. If any rebates are owed, when will they be issued?

If any rebates are owed, these will be issued by September 30, 2025 and groups will be reached out to directly.

24. How are MLR rebates determined?

If a plan charges too much premium compared to medical claims, a rebate will be required.

- **Large Group:** If less than 85% is spent on medical expenses, the difference must be returned to the employer group.
- **Small Business and IFP:** If less than 80% of premium is spent on medical expenses, the difference must be returned to the employer group. If rebates are due to IFP subscribers, the subscriber will receive a rebate check.

REBATE EXAMPLE: If the MLR for a Large Group segment (101 or more employees receiving a W2 from the employer) is 75%, then 10% of the premium (the difference of 85% MLR threshold minus the actual MLR of 75%) must be paid back to the employer group by September 30 following the plan year.

25. What are some of the ways employers can distribute rebates to Large and Small Business employees?

Groups should reach out to their tax preparer for questions relating to distribution of rebates to employees.