The definition of the small business market is changing to 1-100 employees. FAQs for brokers and employers.

On January 1, 2016, as a result of health reform, the definition of a small business will increase from 50 to 100 employees. The information below offers a primer for those new to the new small business market.

Top five asked-about topics: Rates, networks, plans, specialty benefits impacts, and customer service

1. Rates: Does Blue Shield set rates for small business and large group plans in the same way?
   The Affordable Care Act and California law mandate that plan rates in the small business market can only vary based on the member's age, region, and whether the plan covers an individual or family. In addition, rates are based on the experience of the plan's entire small business book. The large group market sets rates using the same criteria. However, rates can vary based on each group's experience.

2. Network: What are the differences between Blue Shield networks for small business customers and large group customers?
   The same medical, vision, and dental provider networks are offered with plans in both the large group and small business markets. This means if your large group client is moving to a small business plan and selects the same type of plan, it will have the same provider network.

3. Plans: How do Blue Shield large group and small business medical plans differ?
   Small business medical plans vary by metal level – bronze, silver, gold, or platinum. Metal levels represent different actuarial value ranges. In 2016, Blue Shield's small business segment offers 32 plans to choose from, and there is the full complement of dental, vision, and life insurance products. HMO plans are available with one of three networks: Access+ HMO, Local Access+ HMO, and Trio ACO HMO. Unlike for our Large Group plans, customization is not available with our Small Business plans.

4. Specialty benefits: How are Blue Shield specialty benefits plans impacted?
   The change in the definition of a small business does not impact our specialty benefits plans. However, we're aligning the experience with medical enrollment to make the transition easier. This means current large group customers with 51-100 employees will be offered small business specialty benefit coverage upon their next effective date.

5. Blue Shield's customer service: Will I have the same Sales/Account Management and Customer Service teams?
   We are excited to welcome clients with 51-100 employees to our small business segment. Your Sales/Account Management team will be a new team dedicated to support you with your small business needs. Producer and Member Service teams will remain the same. And for Employer Customer Service, they will have access to the Group Services Customer Support team. Here are some key contact numbers and links:
   
   For brokers:
   Go to Producer Connection, email Producer Services, get sales contact information, or call us at (800) 559-5905.

   For employers:
   Go to Employer Connection or call us at (800) 325-5166.

   HMO members: (800) 424-6521
   PPO members: (800) 200-3242

* Blue Shield vision and life insurance plans are underwritten by Blue Shield of California Life & Health Insurance Company.
How small businesses enroll and renew coverage

New business: How does a Blue Shield small business customer enroll?

In the small business market, brokers work with clients to select medical and specialty benefits coverage. Brokers first generate quotes for their client. The client then selects the plans they want to make available to their employees. Finally, employees enroll in the plan that’s best for them. Unlike the large group market, there is no customization of plans or negotiation over the rates in the small business market, which are set in advance.

How can a small business customer get a quote for Blue Shield coverage?

Brokers use a variety of quoting “engines” to generate quotes for clients. Employers should work with their broker to assist with quoting needs.

How is the sales team structured in Blue Shield’s small business market?

Brokers are supported by regional small business sales executives and account managers. Additionally, a dedicated Producer Services team supports brokers with their clients’ accounts. Access our contact information here: https://www.blueshieldca.com/producer/contactus/smgrp_sales.sp.

Renewing business: How do Blue Shield small business customers renew their coverage?

Blue Shield small business customers renew their coverage with the help of their broker. The broker submits plan-level changes using Blue Shield’s Small Group Online Renewal Tool. Small business customers can delegate broker access to Employer Connection Plus, where member-level open enrollment changes are made.

Blue Shield has a dedicated team of small business account managers available to assist brokers as they help their clients renew their coverage.

Small business customers receive small business renewal packets approximately 65 days prior to their renewal date. The packet shows the 2016 cost of the new plans and includes rates for all small business plans in case a customer wants to make new selections.

If small business customers want to renew their current coverage, they simply pay their new rate at their next bill cycle. And, groups have until the end of their renewing month to finalize their decision.

At times, small business customers are asked to recertify their eligibility for small business coverage, and in those cases, Blue Shield works directly with the customer’s broker.

When are Blue Shield small business customers notified about their small business options?

1. As referenced above, small business renewal packets are mailed to customers at least 65 days in advance of the renewal date of the group agreement. Packets always include a customer census which shows the customers’ current plans and respective rates, the new rates, and the difference – both in dollar and percentage figures.

2. Small business renewal packets of brokers’ clients are available on Shield Renewals located at blueshieldca.com/sbm-retention.

3. Renewal packets include:
   - Cover letter: sets stage for upcoming year
   - Group census: shows enrolled medical and specialty benefits rates by plan, and per subscriber, current and new
   - New member-level rates
   - Medical rate sheets/all plans
   - Specialty rate sheets/all plans
   - Medical changes form
   - Specialty changes form
   - Dental benefit summary
   - “What’s New” – a marketing piece highlighting the newest updates

Account managers are available to assist brokers with their clients’ renewal.

What does the Blue Shield small business pre-enrollment process look like?

When a small business is interested in buying coverage, they work with their broker from enrollment to application. The process works like this:

1. Broker delivers a quote for the group.

2. Employer indicates their intent to purchase specific plan(s).

3. Pre-enrollment packets are made available to the small business’s employees during open enrollment. The packets include the following:
   - Introduction page with the plans being offered by the group
   - A welcome page with an overview of benefits and services
   - Benefit summaries of the plans available for enrollment
   - Instructions on how to use our online Find a Provider tool
   - Enrollment forms and disclosure forms
   - Master Group application (to be completed by the customer) and Employee Applications (to be completed by employees)

4. Brokers submit new enrollment forms to Blue Shield for installation.
What are the participation requirements for Blue Shield small business plans?

To be eligible for Blue Shield large group coverage, customers must have at least 75% of all eligible employees enroll.

If offered alongside Kaiser, Blue Shield must have 50% of all enrolled employees.

For Blue Shield’s small business plans, the participation requirements are:

**Off-Exchange Package**
- Under the Off-Exchange Package for Small Business when Blue Shield is the only carrier offered, a minimum of one employee and at least 65% of all eligible employees must enroll in the Blue Shield plan(s).
- If Blue Shield is offered alongside another carrier’s HMO plan, a minimum participation of 65% between both carriers is required and, in the combination of Blue Shield plans, the participation must be equal to the greater of five enrolled employees or 50% of the total number of enrolled employees.

**Mirror Package**
- Under the Mirror Package, a minimum of one employee and at least 70% of all eligible employees must enroll in the Blue Shield plan(s).
- 100% participation in the pediatric dental plan is required for all employees or dependents under age 19 enrolled in plans in the Blue Shield of California Mirror Package for Small Business.

**Declining or waiving coverage**
- A Refusal of Coverage form (C19927) is required if refusing coverage with Blue Shield due to coverage with another carrier through a different employer. Refusals of coverage in this instance are not counted toward the participation requirement.
- A Refusal of Coverage form (C19927) is required if refusing coverage with Blue Shield due to coverage with another carrier through the same employer. Refusals of coverage in this instance are counted.

What are the contribution requirements for Blue Shield small business plans?

In Blue Shield’s large group market, employers must contribute at least 75% of premium, or an amount equivalent to 50% of the employee and dependent premium.

In Blue Shield’s small business market, the employer must contribute either (1) a defined contribution of a minimum $100 per employee (or the cost of the total employee rates, whichever is less), or (2) a minimum of 50% of the total premium.

What are Blue Shield’s waiting periods for small business customers?

A small business employer may impose a bona fide employment-based orientation (affiliation) period for new employees which cannot exceed 30 days.

Following this, a waiting period may also be imposed before coverage becomes effective, beginning the first day after any orientation period and not to exceed 90 days.

Please note: If the employer imposes an orientation period when completing an enrollment form for a new employee, the “date of hire” is the first day after completion of the orientation period.

Here are the waiting period options:
- Effective first day of the month following the date of hire. (If hired on the first of the month, coverage will be effective the first of the following month.)
- Effective first of the month following 30 days from the date of hire.
- Effective first of the month following 60 days from the date of hire.
- Effective on the 91st day following the date of hire.

May Blue Shield small business customers offer both Blue Shield and Kaiser coverage to their employees?

Yes, our small business PPO plans in the Off-Exchange Package may be offered alongside another carrier’s HMO. A minimum participation of 65% between both carriers is required, and in the combination of Blue Shield plans the participation must be equal to the greater of five enrolled employees or 50% of the total number of enrolled employees.

What are the enrollment guidelines for Blue Shield’s small business select network HMO plans?

In Blue Shield’s small business market, customers have the choice of purchasing an Access+ HMO, Local Access+ HMO, or Trio ACO HMO plan. The Local Access+ HMO plan features a select network of providers. The Access+ HMO Provider Network is the largest HMO provider network. The Local Access+ HMO plan is a smaller subset of the Access+ HMO Provider Network. The Trio ACO Provider Network is the smallest HMO provider network available.

A group can only offer multiple HMO plans with the same provider network. For example, they cannot offer the Local Access+ HMO plan with an Access+ HMO plan or Trio ACO HMO plan.

For current customers with 51-100 employees and purchasing Blue Shield small business plans for the first time, if they are currently enrolled in HMO plans with a select network, we are recommending a similar small business HMO select network plan.

For enrollment guidelines, please see Blue Shield’s Underwriting Guidelines which brokers can access on blueshieldca.com/producer.

Are there eligibility rules for small business customers?

Yes, customers must meet specific small group eligibility rules in order to enroll as a Blue Shield small business.
When one becomes a Blue Shield customer

What does the Blue Shield small business post-enrollment process look like?

After a Blue Shield small business customer enrolls, they receive a post-enrollment packet from us. It includes:

1. The Group Policy contract
2. A Group Administrator Guide
3. A member handbook which the employer distributes to employees

Blue Shield member ID cards are also issued after enrollment, and ID cards are mailed directly to subscribers.

How are Blue Shield member ID cards issued to small business customers?

The process of issuing ID cards to Blue Shield small business and large group customers is the same. ID cards are mailed to subscribers starting with the first 30 days of the customer’s effective date, and can be downloaded from blueshieldca.com and our mobile app.

Is the content on Blue Shield small business ID cards different?

You’ll find the formats of the cards can differ, but the content displayed, and contact numbers displayed, are the same.

How does billing work in Blue Shield’s small business market?

All Blue Shield plans are prepaid plans. Customers are billed monthly and bills are sent approximately the 12th day of the month, prior to the next billing month (e.g., a customer will receive their November bill in mid-October).

Customers have a 30-day grace period from their effective date to pay their bill, and customers can mail checks or set up recurring payments on Employer Connection.

For recurring payments, we accept checks and debit cards.

What online support is available to Blue Shield small business customers?

Small business customers use Employer Connection Plus to make all open enrollment and member-level changes. Employers can delegate access to their broker, who can make changes on their behalf.

Is Small Business retiree coverage available?

Retiree coverage is not available in the small business market. If you have employees turning 65, or are already 65, talk to your broker about the options we have available to them. Blue Shield offers a host of plan options for those 65 and older.

What discount and wellness programs are available to Blue Shield small business customers?

All of Blue Shield’s discount programs are available to every member. This is also the case for our disease management programs. Blue Shield’s wellness program is available to all employers, although the QuitNet,* Shield Wellcheck℠ and Walkadoo™ programs are currently available only to large group customers.

We expect to have these programs available to small business members in 2016.

How do Blue Shield small business customers reconcile any questions they have on their bill?

Blue Shield will perform a billing reconciliation at the request of a small business customer. Billing reconciliation for small business customers is done at the group level, not the member level as in Blue Shield’s large group market.

Call Group Employer Services at (800) 325-5166 with questions.

Are claims processed the same for BlueShield Small business and large group members?

Yes. There is no difference between the methods providers use to submit Blue Shield small business and large group member claims. Members can learn how to submit a claim by calling the customer service number on the back of their member ID card.

What sales materials does Blue Shield make available?

Important pharmacy facts

**Will customers moving to the small business market see a change in the formulary?**

Beginning January 1, 2016, upon group renewal, Blue Shield small business plans (1-100 employees) will use the Blue Shield Standard Formulary, whereas Blue Shield large group plans (101+ employees) will use the Plus Formulary.

**What's the difference?**

Blue Shield small business plans use the Blue Shield Standard Formulary.

Blue Shield’s Standard Formulary follows a set of industry benchmarks established by the ACA. While all carriers are required to follow the same guidance, formularies may cover different drugs.

All covered drugs are listed in the Blue Shield Standard Formulary. Members new to our small business plans may request coverage for drugs not listed on the formulary through the prior authorization process.

To help ease the transition, we are continuing coverage of maintenance medications and existing drug prior authorizations for impacted members until further notice. Please note that drug copays may differ based on the small business plan design.

**Download the latest formulary**

We update our formularies each month and post them online. Visit blueshieldca.com/bsca/pharmacy/home.sp to download the most recent formulary.

**Will customers moving to the small business market see a change in the specialty drugs benefit?**

Blue Shield small business plans offered in the Off-Exchange Package do not include a maximum coinsurance for specialty drugs. Blue Shield large group plans do include a maximum coinsurance on specialty drugs. This change in benefit design impacts a small population of members.

Blue Shield small business plans sold in Covered California’s Small Business Health Options Program (SHOP) and in our Mirror Package of plans do include maximums on specialty drugs, similar to the Blue Shield large group plans.

**Additional notes:**

- All small business plans have an annual out-of-pocket maximum (OOPM) cap for participating providers. Claims for specialty drugs will apply to the OOPM, which may help limit member out-of-pocket costs.
- Oral anti-cancer drugs are limited to a $200 maximum copay after any applicable deductible has been met.

**What is a specialty drug?**

Specialty drugs are drugs requiring coordination of care, close monitoring, or extensive patient training for self-administration that generally cannot be met by a retail pharmacy and are available at a network specialty pharmacy. Specialty drugs may also require special handling or manufacturing processes (such as biotechnology), restriction to certain physicians or pharmacies, or reporting of certain clinical events to the FDA. Specialty drugs are generally high cost.

| Common specialty drugs include: |
|-----------------|--------------------------|
| **Drug name**   | **Most common condition** |
| Humira, Enbrel, | Rheumatoid arthritis      |
| Cimzia, Orencia |                          |
| Stelara         | Psoriasis/psoriatic arthritis |
| Copaxone, Tecfidera | Multiple sclerosis     |
| capecitabine   | Various cancers           |
| Sovaldi, Viekira Pak | Hepatitis C             |
| Nutropin AQ    | Growth hormone deficiency |

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