

Relaxed participation requirement promotion for small business extended into 2018

Medical

Blue Shield of California is continuing to relax the participation requirement for groups with 1-100 employees through June 30, 2018.

We're relaxing the participation requirement for groups with five or more enrolled employees to 25%, less than our already low requirement of 65% and among the lowest in the industry.

Businesses often want to purchase two medical plans – an HMO from one carrier and a PPO from another. However, if the business is relatively smaller, it typically can't meet minimum participation requirements. This limited-time promotion allows your client to purchase a medical plan from Blue Shield alongside another carrier's medical plan with more lenient underwriting participation rules. Please note: Only one carrier is allowed to be written alongside a Blue Shield of California plan. Healthcare exchanges are not eligible for this promotion.

You must have at least 25% of the total number of eligible employees enroll in a Blue Shield healthcare plan with no fewer than five.

Let's look at the example below:

| | | Sample Company | Your Company |
|---|---|--|--------------|
| 1 | Total number of employees eligible for coverage | 24 | |
| 2 | Number of employees with valid waivers (Medicare, MediCal, military, covered by spouse's group coverage only) | 4 | |
| 3 | Number of eligible employees (subtract line 2 from line 1) | 20 | |
| 4 | Multiply the number of eligible employees by .25 to determine whether minimum participation is met. | $20 \times .25 = 5$ As long as 5+ eligibles enroll for health coverage, the participation requirement is met. | |

Specialty

For our specialty products, we are reducing the participation requirement to 25% as well, when purchased with a Blue Shield medical plan or as a standalone option. All of the same rules apply, except that Blue Shield must be the sole carrier for dental, vision* and life insurance* plans.

Rules for the relaxed participation requirement promotion

- The relaxed participation requirements are for new medical small business and specialty clients with effective dates of **January 1, 2016, through June 30, 2018.**[†]
- The promotion applies to our off-exchange plans only.
- When offering dental, vision* and life* products, Blue Shield must be the sole carrier.
- New groups with fewer than five employees enrolling with Blue Shield do not qualify.
- Groups must meet the definition of a qualified small employer group.
- All normal eligibility and enrollment documents are required.
- Refusals are required for all eligible employees not enrolling in the Blue Shield plan(s).

* Underwritten by Blue Shield of California Life & Health Insurance Company.

† Blue Shield reserves the right to modify the relaxed participation requirement for new small business at any time.