

1. Federal Medical Loss Ratio

The health care reform (HCR) law has requirements about an insurer's "medical loss ratio" ("MLR"), which is the amount of premium collected - in relation to the amount the insurer spends on clinical services and quality improvement. MLR requirements vary based on group size. The HCR law defines how group size is measured for MLR purposes. The measure differs from the measure used for some other laws.

For MLR, we need to know the average number of total employees you employed on business days during the calendar year that precedes your next plan effective date. When counting, you must include all employees, including part-time and seasonal workers, regardless of whether the employee was eligible for coverage under the plan.

2. Eligible Employee Verification for Small Employers

Under state law, an employer who has at least 2, but not more than 50 eligible employees on a typical business day during any one calendar year is considered a small employer. In addition, a small employer is also not a part of a larger national or worldwide employer that has additional eligible employees at any other location within Arizona or outside of Arizona.

An employee is considered an "eligible employee" if he or she is eligible to participate in a health benefit plan, regardless of whether Blue Cross Blue Shield of Arizona (BCBSAZ) or other health insurers offer the plan, and regardless of whether the employee chooses to participate.

3. Employer Verification of Total Employees

Some groups require additional reporting due to their group size. Asking this question assists BCBSAZ in determining if these reporting requirements apply to your group.

4. Medicare vs. Employer as Primary Coverage for Working Aged

Under federal law, certain employers must provide group benefits primary to Medicare for their active employees age 65 and over, as well as for spouses age 65 and over. If your company had 20 or more full and part-time employees each working day, for 20 or more calendar weeks during the current or preceding calendar year, you must provide group benefits primary to Medicare.

5. Medicare vs. Employer as Primary Coverage for Disabled Individuals

Under federal law, certain employers must provide group benefits primary to Medicare for their Medicare eligible disabled employees, as well as Medicare eligible disabled spouses and dependents. If you had more than 100 full and part-time employees for at least 50% of the workdays during the preceding calendar year, you must provide group benefits primary to Medicare.

6. COBRA

Under federal law, employers with 20 or more full and part-time employees for at least 50% of the workdays during the preceding calendar year must offer COBRA continuation within the group's benefit plan.