

Health Care Plans
For Businesses with 2-50 Employees



BlueCross
of California



BC Life & Health
Insurance Company



Solutions

Small Business Health Care Plans **at Work**

Growth



Solutions Growing Right Along with You...

At Blue Cross of California and BC Life & Health Insurance Company, we are committed to helping your business get covered and stay covered.

We've been serving California's small businesses for nearly seven decades, so we understand some of the unique challenges you face. We know that you've worked hard to get where you are – and that you have important goals for the future.

As part of the largest health benefits company in the United States, we have the strength, stability and experience to create solutions that work for you ... now and as your business needs change. And, since we're constantly seeking new ways to support small businesses, our solutions will be growing right along with you.



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Easy administration



Opportunity

For more information, contact your Blue Cross agent or call **(800) 627-8797**.

The Opportunity to Start

California truly is a land of opportunity for Small Group health coverage, with laws that give special rights and protection to businesses with 2-50 employees.

Guarantee Issue – unlike Individual policies, Small Group coverage is “guarantee issue” by California law. As a qualifying small business, you cannot be denied coverage or charged more than +/- 10% of the standard rate – regardless of group members’ health history.

Cost Sharing – you are only required to pay a portion of your employees’ monthly premiums; they pay the rest through payroll deductions.

Tax Advantages – another difference compared to Individual plans is that Small Group premiums are treated as general business expenses. That means employer premium contributions may be 100% tax-deductible. Section 125 of the IRS tax code takes it one step further, giving you the opportunity to save even more on payroll taxes.

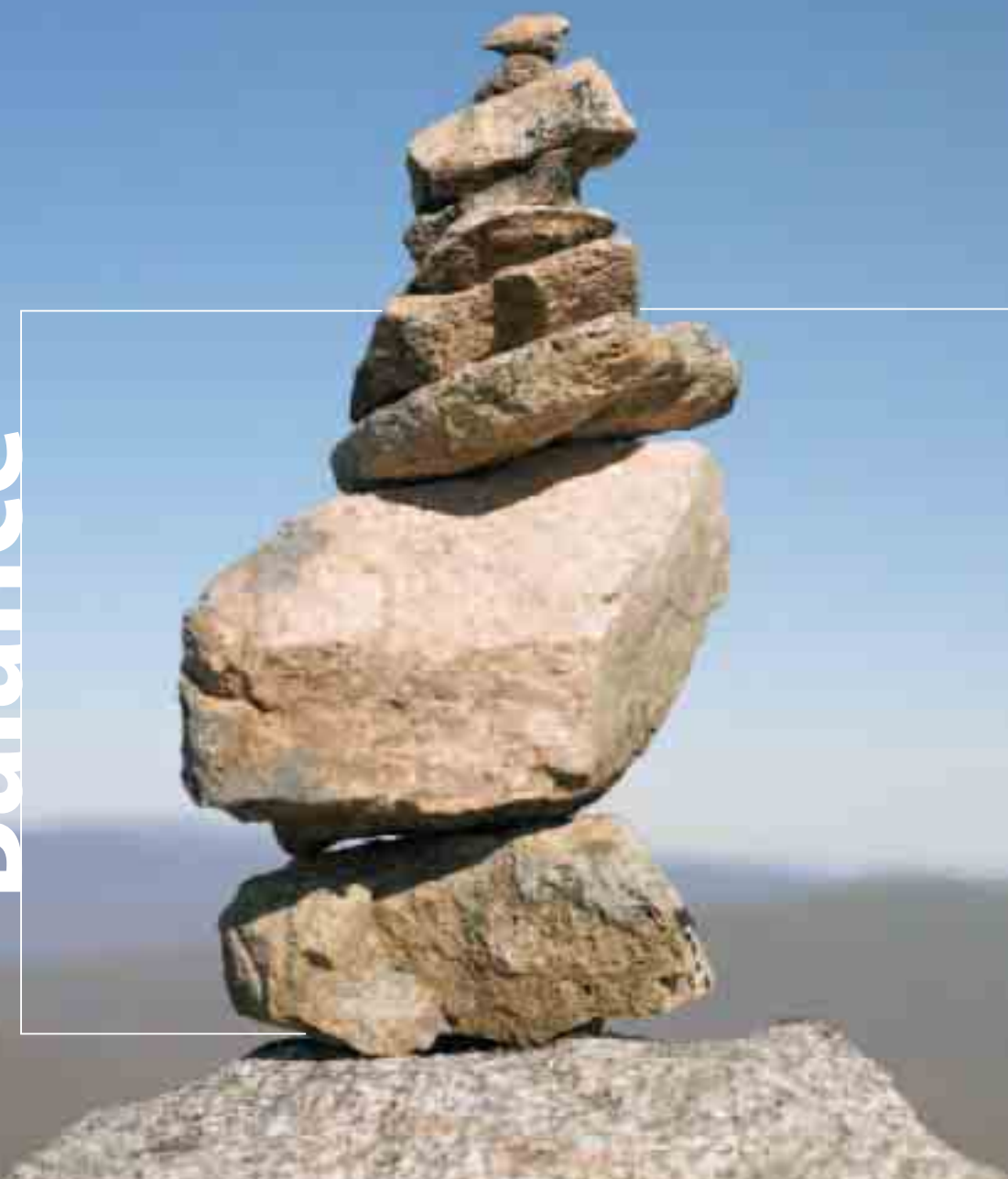
As Few As Two Can Qualify – you only need two eligible employees in your company to qualify for Small Group coverage ... or you can have as many as 50.

Blue Cross helps you access the opportunities that California reserves for small businesses offering group health coverage.

Blue Cross offers you:

- One-stop shopping for Medical, Life, Dental, Vision and Workers’ Compensation coverage – *plus discounts & savings when purchased together*
- Several Medical plan portfolios – each portfolio offers at least five and up to 16 different plans – providing maximum choice for every small business
- Flexible employer contribution options to help employers control bottom line cost
- 12-month initial rate and benefit guarantee
- One of the largest provider networks in California with negotiated prices that can result in significant member savings on health care costs
- Free wellness programs to help members develop healthy lifestyles
- Strength and security backed by the largest health benefits company in the United States
- Quality products with National Committee for Quality Assurance (NCQA) Accreditation

Balance



The Balance to Build

The coverage your employees want at a price your company can afford ... Blue Cross gives you the solutions you need to balance employee choice and employer control.

How many plans do you want to offer?

With Blue Cross, you have control of how many plans you offer ... and administration is just as easy, no matter how many you choose¹:

- **Single Plan** – employees must enroll in the plan you pick; you can switch to another plan in the future subject to underwriting approval.
- **Mix 'n Match** – employees choose from two or more plans you select; you can change plans (or add more plans) in the future subject to underwriting approval.
- **All Plans** – employees have access to the entire portfolio and may enroll in any plan you make available; you can easily change plans during open enrollment periods.

Most employers offer at least one PPO and one HMO. Many choose a mix of several different plans. And, employers who choose “all plans” have the option of providing maximum choice – now or later.

How much do you want to pay?

You also control how much you want to contribute toward each employee's monthly premium cost (dependent contributions are optional). Your contributions apply toward the monthly premium amounts of any plans you've made available for your employees to choose ... and they cover any remaining balance through payroll deductions.

Employer Contribution Options – Medical Plans

- **Traditional Contribution** – *a percentage of the monthly premium cost.* Employer's cost depends on the range of premium prices in the plans available and which ones employees choose.
- **Percentage and Plan Contribution** – *a percentage of the monthly premium cost of a designated plan.*² Employer has more control by basing the contribution amount on the cost of just one specific plan.
- **Fixed Dollar Contribution** – *a specific amount that is the same for each employee.* Employer has maximum cost control, regardless of the range of premium prices and number of plans available for employees to choose.

Please see page 20 of this brochure for a chart showing how employer contribution options apply to our Medical, Life, Dental and Vision products.

¹ Employers who offer HMO plans must choose either our Power SelectHMO with its own network, or any/all of our other HMO plans. Contributory and Voluntary plans cannot be combined.

² One exception: our Basic PPO Plan from BC Life & Health Insurance Company cannot be used as the basis for a Percentage and Plan Contribution.

Rock Solid Savings

Get a 10% Workers' Compensation Discount – Medical Savings, too

Use our Integrated MediComp program to integrate Workers' Compensation coverage from Employers Compensation Insurance Company (ECIC) with your Blue Cross Medical coverage ... and get:

- **10% automatic discount** on the Workers' Compensation portion of your integrated bill
- **Plus possible savings** on your Medical premium if your group qualifies

Save on Life and Dental

You also have the opportunity to purchase Dental coverage from Blue Cross of California or Dental and Life coverage from BC Life & Health Insurance Company ... **and save a substantial amount:**

- **Save up to 1% on your Medical premium*** when you purchase \$25,000 or more of Life at the same time along with Medical. This savings often covers a substantial amount of the Life premium.
- **Save 6% on your Life premium and another 6% on your Dental premium**** when you purchase both \$25,000 or more of Life and any of our insured Dental plans at the same time.

And, when you offer your employees cost-effective Blue View VisionSM coverage from BC Life & Health Insurance Company, they'll be able to get regular visits to an eye care provider ... a benefit that is more important than ever with the increasing number of workers developing eye strain, blurred vision and headaches due to using a computer.

* .90 is the best Risk Adjustment Factor available.

**SmileNetSM Dental Discount Program does not qualify.

Save Even More on Taxes

Not only can employer premium contributions be **tax-deductible**, you can also reduce your payroll taxes with a Premium Only Plan (P.O.P.). Authorized by Section 125 of the IRS tax code, P.O.P. is a simple change in the employer's payroll process that allows employees to use pre-tax dollars to pay their monthly health coverage premiums.

You win with **reduced payroll taxes** ... employees win with **increased take-home pay**. Better yet, we've arranged with Ceridian Benefits Services to set up and administer your P.O.P. at a cost of only \$125/year.



Count on a Rate Guarantee

And when you sign up for Blue Cross small business health coverage, your rates and benefits are guaranteed for the initial 12 months – **a full year of predictable costs.**





Choice

The Choice to Grow

Blue Cross offers a complete range of choices to help you carefully plan for your business needs ... now and in the future. Build your benefits package any way you want and get one consolidated bill.

- **Medical** – start with a strong foundation
- **Dental** – add even more value
- **Vision** – build a clearly superior benefits package
- **Life** – provide security and peace of mind
- **Workers' Compensation** – fulfill state requirements and save money at the same time

In the next few pages, you'll find high-level overviews of each type of coverage. For more detailed information, please ask your agent for our Medical plans comparison guides and Specialty products brochures.



Medical Coverage

Three Medical portfolios to satisfy different business needs

Every business has different kinds of needs, so Blue Cross offers several Medical plan solutions.



EmployeeElect

Most employers choose the unique advantages of our “flagship” product portfolio, EmployeeElect. Standard employee participation and employer contribution requirements apply (see pages 20-21), with flexibility for future changes and 16 plans to choose from.

- **12 PPO plans and 4 HMO plans** – to help you find the ideal balance between cost and benefits
- **Administrative ease** – integrated billing and customer service make it easy to offer as many different plans and types of coverage desired
- **Financial control** – three ways to set your monthly contribution to your employees’ Medical premiums

EmployeeChoice

If you want additional HMO flexibility for your workers, consider our EmployeeChoice program:

- **5 popular Blue Cross plans (4 PPOs and 1 HMO)**
- **Option to offer an HMO from another carrier as well**
- **At least 5 employees must enroll in the Blue Cross plans**

Except for this additional HMO flexibility, EmployeeChoice has the same employer contribution requirements, the ability to integrate Workers’ Compensation and add Life, Dental & Vision, and the opportunity to receive special discounts and savings, just like EmployeeElect.

BeneFits

For employers who are especially cost-conscious or offering insurance benefits for the first time, we offer BeneFits from Blue Cross, a unique solution that makes coverage easier to understand, easier to afford, and easier to qualify.

- **A package of five progressive plans**

- Four targeted PPOs and one HMO starting with basic coverage and adding more benefits from plan to plan – including two comprehensive plan options and one plan that even has some built-in Dental and Vision benefits
- All-in-one package – you decide how many plans to offer your employees

- **More affordable rates**

- **Lower employee participation and employer contribution requirements** (see pages 20-21)

- **All the advantages that Blue Cross coverage helps every employer enjoy** ... guarantee issue, potential tax savings for your company, 12-month rate guarantee, as well as discounts and savings when Specialty products are purchased with Medical (Workers' Compensation, Life, Dental, Vision) and more.

More information about our BeneFits portfolio is available online at mybccbenefits.com.



Online Tool for Easy Administration

Take advantage of a convenient online tool designed to help employers save time and money by enabling you to easily manage daily tasks and get the big picture on your Blue Cross health benefits package. This tool allows you to:

- Enroll new employees and their dependents online
- Direct and control open enrollment
- View and print current and past bills
- Change members' addresses
- Manage subscriber and dependent coverage

Watch for more improvements in the future!

Go to pages 22-23 for a summary of the differences between HMO and PPO plans

SmileNetSM Dental Discount Program

SmileNet is not an insurance plan – the inexpensive and easy-to-use Dental discount program from BC Life & Health Insurance Company helps members save 15–50% on dental services and provides access to most of the dentists in our Dental PPO network. Any number of your employees can join, there are no participation requirements and you can choose to pick up part of the cost, all of the cost, or none of it. SmileNet can be offered as a standalone Dental program or with any of our Medical plans (as long as no employees are covered by one of our traditional Dental plans).*

SmileNet members can choose from most of the dentists from the Blue Cross Dental PPO network and get Dental services at Blue Cross-negotiated rates. There are no traditional office visit copays – payment is due when services are rendered. Your employees can get Dental services when they want, as often as they want.

*SmileNet cannot be offered within the Hospital Benefits Preferred Plan from BCL&H. However, it can be sold with the other plans in the Benefits portfolio, as long as it is not offered along side any other insured Dental product. Employer contributions to a discount program may have tax implications. Consult your tax advisor.

Dental Coverage

Brighten your benefits package

Convenient, affordable Dental coverage from Blue Cross of California and BC Life & Health Insurance Company is an important part of the health benefits package you offer your employees. We offer the coverage choices your employees want and the options you need, including:

- **Flexible Financing**

Set your monthly employer contribution one of two ways, in the amount that works best for your budget (your employees cover any remaining premium balance through payroll deductions):

- Traditional Contribution – employer pays at least 50%
- Fixed Dollar Contribution – employer pays \$15 or more in \$5 increments

- **Maximum Choice**

Offer any or all of our insured Dental plans – choose from 8 PPO plans and 2 HMO plans or, opt for Voluntary Dental coverage – 2 plan options that can be 100% employee paid

- **Broad Network**

Gain access for you and your employees to 4,000 HMO providers and 13,000 PPO providers



PPO, HMO & Voluntary Dental Plans

Choose what works for you

PPO Dental Plans Highlights

- Access to quality care at discounted fees from one of the largest provider networks in California
- Freedom to choose providers outside our network, too – member's out-of-pocket may be greater
- 8 different plans with a range of deductibles, coinsurance levels, annual maximums and orthodontic benefits
- Pricing based on group size with our Silver, Gold and Platinum plans – the larger the group, the lower the rate

HMO Dental Plans Overview

- Self-selection of participating dentist (provider) from one of our HMO networks (out-of-network services are not covered)
- Provider coordinates care including specialist referrals
- Low out-of-pocket costs with no deductibles or annual maximums
- No waiting periods on preventive, diagnostic and minor restorative services
- Orthodontic services for children and adults

Voluntary Dental Plans Summary

- Employers are not required to contribute to employees' monthly premiums
- Employees can pay up to 100% of the premium cost
- Two or more eligible employees must be enrolled in Blue Cross Medical coverage
- Just three employees or 25% of eligible employees (whichever is greater) must enroll in Voluntary Dental coverage
- Includes two plan choices ... an HMO and a PPO
- Preventive and diagnostic care begin immediately after approval

Please refer to our Small Group Dental Plan Comparison brochure for more information.

Vision Coverage

Offer the strongest vision coverage in sight: Blue View VisionSM from BC Life & Health Insurance Company. Give your employees a cost-effective, comprehensive plan that meets their vision needs, including:

- **Convenient eye exams**
- **Fast delivery of eyewear**
- **Statewide network** – including an extensive selection of ophthalmologists and optometrists as well as LensCraftersSM, Target Optical, Sears Optical, and most Pearle Vision locations
- **15-40% retail savings** even beyond plan benefits on unlimited purchases of extra pairs of eyewear, non-prescription sunglasses and other popular accessories
- **Frame allowance** covering up to 75% of manufactured frames

For more information, call Blue View Vision Customer Service at (866) 723-0515.



Save with Life

When you purchase Medical and \$25,000 or more of Life at the same time, you'll receive up to **1% savings on your Medical premiums*** – this amount can cover a significant portion of the Life premium cost.

Save Even More with Life and Dental

Purchase both \$25,000 or more of Life coverage and any insured Dental plan(s) at the same time, and receive **6% savings on your Life premium and 6% on your Dental premium.****

*.90 is the best Risk Adjustment Factor available.

**SmileNetSM Dental Discount Program does not qualify.

Life Coverage

Financial security & peace of mind

Life coverage is an important, inexpensive way to help your employees protect their families' financial future. BC Life & Health Insurance Company offers you several types of coverage, including Basic Term Life, Dependent Life and Supplemental Life.

Life Coverage At-a-Glance

- Basic Term Life coverage is available from \$15,000 to \$250,000 and includes Accidental Death & Dismemberment (AD&D) benefits
- Groups that offer \$25,000 or more of Basic Term Life also receive a valuable, free Employee Assistance Program (EAP) to help enrolled employees get referrals for counseling, treatment, and therapy
- Two Dependent Life coverage options (employer contribution not required)
- Supplemental Life (employer contribution not required)

Composite Rates

All new groups of 11+ enrolling employees get the advantage of Composite Life rates. This means that you'll receive a single rate per \$1,000 of Life coverage, regardless of the age or sex of those enrolling.

Workers' Compensation

You need it ... we've got it

Meet California's requirements for Workers' Compensation coverage and save money at the same time with our Integrated MediComp program.

Blue Cross and Employers Compensation Insurance Company (ECIC) have joined forces to integrate Medical coverage and Workers' Compensation in one convenient, cost-effective program which includes Medical benefits, temporary and permanent disability benefits, vocational rehabilitation and death benefits.

Advantages of Integration with Medical

In addition to substantial savings –10% automatic discount on the Workers' Compensation portion of your integrated premium – employers and employees receive many other advantages:

- One managed care provider network for both personal health and Workers' Compensation coverage
- Employees' network family physicians can treat both personal illness and work-related injuries and refer to specialists when necessary
- Easy administration through one consolidated bill and point of contact

Nearly half of Workers' Compensation claims are Medical expenses. By reducing Medical expenses using the lower Blue Cross-negotiated network fees, employers also have the potential for long-term savings on Workers' Compensation premiums.

Call your Blue Cross agent today for more information about Integrated MediComp.

Integrate and Save

When you integrate Workers' Compensation from Employers Compensation Insurance Company with your Blue Cross Medical coverage, you receive:

- **10% discount automatically** on the Workers' Comp portion of your integrated bill
- **Potential additional savings** on the Medical portion of your integrated bill if you qualify (underwriting is required)

DISCOUNTS & SAVINGS





Value

The Value to Thrive

With Blue Cross, you get a lot more than quality coverage. Members are automatically eligible for free programs designed to help gather information, make decisions, and – most of all – stay well.

HealthyExtensionsSM provides information about 10-50% discounts on health and wellness products and services from independent vendors and practitioners, including fitness club memberships, massage therapy, smoking, alcohol and weight management programs, and even Club Med vacations.

MedCall[®] makes professional, confidential Medical information just a phone call away. PPO members can speak with registered nurses 24 hours a day for answers to their Medical questions.

The Baby Connection program's goals are to help ensure healthy pregnancies and deliveries, and help reduce the risks of premature births. Members who participate in Baby Connection are assigned to a specialized Health Coach and given educational materials, encouragement, and support.

More Online Resources – Members can sign up for the Women's Health e-Newsletter, take part in our "quit smoking" program, participate in health improvement programs (for those with asthma, diabetes and heart disease), and check out *Today's Health and Wellness Magazine*. It all begins at www.bluecrossca.com.

Find more details on these programs by clicking on the Healthy Living link on www.bluecrossca.com.



A photograph of a wooden Adirondack chair on a sandy beach. The chair is positioned on the left side of the frame, facing towards the right. The background shows the ocean with gentle waves and a sunset sky with soft, warm colors. The word "Confidence" is written in a large, white, sans-serif font across the middle of the image, partially overlapping the chair and the beach. A thin white rectangular border is visible around the text.

Confidence

The Confidence to Trust

Californians have trusted Blue Cross for generations ... and Blue Cross is committed to earning your confidence by providing outstanding support and easier access to coverage.

We strive to be customer-focused in everything we do, including:

Independent Blue Cross Agents have the knowledge and expertise to help you at every stage.

Dedicated Small Group Customer Service - call (800) 627-8797 Monday – Friday, 8:30 a.m. to midnight.

Easy Online Administration allows you to manage daily tasks and process enrollment.

We also aim to help more groups offer coverage, with:

Innovative solutions for different types of businesses, including several plan portfolios and programs – each designed to meet a unique need.

Industry-first options to expand coverage opportunities for part-time workers and household staff groups.

In the next few pages you'll find basic information that employers need to know about specific requirements, differences between HMOs and PPOs, and enrollment guidelines. When you are ready to review and compare specific plans, please contact your Blue Cross agent or call **(800) 627-8797**.





Employer Contribution Requirements

As explained in previous sections, employers can share monthly premium costs with their employees. The employer chooses a contribution option and pays at least a minimum amount of each employee's monthly premium (dependent contributions are optional). Employees cover any remaining premium balance themselves through payroll deductions.

Employer Contribution Options			
Type of Coverage	Traditional (percentage applied to all plans employees are enrolled in)	Percentage & Plan* (percentage based on the price of one designated plan only)	Fixed Dollar (dollar amount, in \$5 increments, applied to all plans employees are enrolled in)
Medical Plan Portfolios			
EmployeeElect	50% to 100%	50% to 100%	\$100 or more
EmployeeChoice	50% to 100%	50% to 100%	\$100 or more
BeneFits	25% to 100%	25% to 100%	\$50 or more
Dental	50% to 100%	N/A	\$15 or more
Vision	50% to 100%	N/A	N/A
Life	25% Minimum Employer Contribution		

* Percentage & Plan option: only available for Medical; premium price of the Basic PPO Plan from BC Life & Health Insurance Company cannot be designated as the basis for the employer's contribution.

Employee Participation Requirements

A certain percentage of employees must participate (enroll) in the Blue Cross coverage offered by the employer.

To calculate employee participation, **start with the total number of employees**, including owner(s).

Next, subtract allowable waivers; i.e., employees who already have coverage under Medicare/MediCal/Military or as a dependent on a spouse's or parent's employer-sponsored group plan; and, for EmployeeChoice only, those who enroll in the other HMO plan sponsored by their employer.* Those who remain are the total number of eligible employees. **Last, divide the number of eligible employees by the total number of employees ...** the resulting percentage indicates the group's participation, which must be:

- 75% for EmployeeElect and EmployeeChoice* Medical plans and all Specialty products (Life, Dental and Vision)
- 60% for our BeneFits Portfolio Medical plans

Please note the following special provisions:

- If the employer pays 100% of employees' Medical, Dental and/or Life premiums, then 100% of eligible employees must participate.
- To offer Voluntary Dental for a group of 2-50 that has Medical coverage, at least 25% or three eligible employees (whichever is greater) must enroll in our Voluntary Dental HMO and/or PPO plans.
- Supplemental Life participation levels vary by group size: groups of 2-3 must have 100% participation; in groups of 4-10, at least 3 must participate; groups of 11-50 must have 25% participation.

*For EmployeeChoice, please note that a minimum of five (5) employees must enroll with Blue Cross, and Blue Cross has no influence whatsoever on the participation levels required by the carrier who provides the employer's other HMO plan (see page 10 for more information about EmployeeChoice).



HMO Plans Simplicity & Predictable Costs

HMOs are often favored by members who anticipate frequent health care needs or want a simple health care experience and predictable costs.

HMO members choose a Primary Care Physician to coordinate all their health care needs, including authorizing specialist referrals.

Blue Cross HMO plans provide:

- Comprehensive health care coverage
- Unlimited lifetime benefits for covered services
- Low, predictable out-of-pocket costs
- Immediate (no deductible) benefits for generic drugs and office visits
- Self-referral for OB/GYN care
- DirectAccess and SpeedyReferral, programs that provide specialty-first consultations without prior approval for specialties such as allergy, dermatology, and ear, nose & throat (ENT). More information is available on our Web site at www.bluecrossca.com

Understanding the Difference Between HMOs & PPOs

Blue Cross-negotiated provider fees help PPO members save a substantial amount. The following example illustrates annual out-of-pocket maximum had not been reached.

Annual Deductible: The amount a member has to pay each year before Blue Cross starts paying for covered services. On most plans, the deductible is included in the out-of-pocket maximum and waived on plans for office visits and prescription drug benefits.	Not all the Blue Cross HMOs have an annual certain covered services only.
Copayments: A flat, consistent amount the member is responsible to pay when receiving certain covered services.	With an HMO, the copayment is often the in-network covered services.
Coinsurance: A percentage of the cost of covered services the member is responsible to pay for certain covered services.	Coinsurance applies on some Blue Cross as outpatient facility charges.
Out-of-Pocket Maximum: The maximum amount a member would have to pay for qualified covered services, including annual deductible on most plans, before the plan pays 100% of covered costs.	Family Aggregate applies on all Blue Cross member's covered expenses (combined) for all.
Lifetime Benefit	Blue Cross HMO plans pay unlimited lifetime

PPO Plans Only

PPO members can use any doctor/provider they want, both in and out of the Blue Cross network. However, members pay more for out-of-network care. Blue Cross network negotiated provider fees can result in member savings of 30 to 40 percent.

From \$1,000 to only \$120 in-network or \$640 out-of-network. This illustration shows what a difference it can make to have Blue Cross coverage and to use a participating in-network provider.

how this might work with an in-network provider, assuming that the member's annual deductible had been met and the

HMO Plans	PPO Plans
deductible ... on those that do, it applies to	All Blue Cross PPOs have an annual deductible ... but most plans waive the deductible for covered office visits and generic prescription drug benefits.
member's only responsibility for most	Except for office visits and prescription drug benefits on most plans, member copayments apply after the annual deductible and before the out-of-pocket maximum requirements are met.
HMOs for certain covered services only, such	In addition to copayments, PPO members are responsible for coinsurance on certain covered services, subject to annual deductible and out-of-pocket maximum requirements.
HMOs: when one or more enrolled family meet this amount, the requirement is satisfied	2-Member Maximum applies on most Blue Cross PPOs: when two enrolled family members each meet this amount (separately), the requirement is satisfied for all.
benefits for in-network covered charges.	Blue Cross PPO plans pay up to \$5 million lifetime coverage for eligible expenses.

<i>Most plans pay based on negotiated fees:</i>	In-Network	Out-of-Network
Provider's usual fee	\$1,000	\$1,000
Blue Cross negotiated-savings	- 400	
Provider's negotiated fee	\$ 600	\$1,000
Blue Cross payment is applied: 80% in-network 60% out-of-network	- 480	- 360
Member's out-of-pocket cost is: 20% in-network 40% out-of-network	\$ 120	\$640

PPO Plans Maximum Control & Access

PPOs are preferred by those who want maximum control and access to any doctor or hospital.

- In-network access to over 50,000 doctors and specialists and over 400 hospitals in California
- Negotiated in-network fees that can save members 30 to 40 percent compared to providers' usual fees
- Out-of-network access as desired... at a higher member cost
- Immediate (no deductible) benefits for generic drugs and office visits on most plans
- Payment at 100 percent for most in-network covered services after meeting annual out-of-pocket maximum

Special PPO services enhance member control

- HealthyCheckSM – a preventive health care option to choose a Basic or Premium annual health care screening, pay a flat copay, receive a personalized health status report and confidential summary of results
- BlueCard Travel Coverage – emergency coverage when traveling outside California, with a nationwide network of BlueCard providers who accept the member's plan copayment or coinsurance



Eligibility Guidelines

Eligible Employees include:

- **Full-time Employees**, employed on a permanent basis with a normal work schedule of at least 30 hours per week, and compensated for that work by the employer (subject to withholding appearing on a W-2 form).
- **Part-time Employees**, employed on a permanent basis with a normal work schedule of either 15-29 hours or 20-29 hours (employer chooses desired option) and compensated for that work by the employer (subject to withholding appearing on a W-2 form). It is the employer's option to offer coverage to part-time employees; if exercised, employer must offer all similarly situated individuals the same coverage opportunity.
- **Sole Proprietors/Partners/Corporate Officers** must work at least 20 hours per week to be eligible for coverage.
- **Others** who may also be eligible subject to underwriting approval:
 - Seasonal workers employed by selected agricultural SIC code businesses
 - Private household staff



Ineligible Employees/Workers include temporary, leased or substitute workers and persons compensated on a 1099 basis.

Cal-COBRA-, COBRA- and FMLA-eligible employees who are qualified for coverage under California law SB719, the Federal Consolidated Omnibus Budget Reconciliation Act or Family and Medical Leave Act, must complete a questionnaire, indicating the qualifying event and the date continuation coverage began.

Out-of-State Employees may not enroll in HMO plans; the majority of a group's eligible employees – at least 51% – must be employed within the State of California; residents of Hawaii are not eligible.

Spouses employed at the same company may both be covered as employees; their children may be considered the dependents of either employee, or both.

Eligible Dependents must have one of the following relationships with an eligible employee:

- Lawful spouse or registered domestic partner (Blue Cross complies with State law requiring employers to offer the same access to dependent health coverage for spouses and qualified registered domestic partners as defined in AB2208 ... and we give employers the choice of whether or not to offer dependent coverage to opposite sex domestic partners under age 62, which is not required by law.)
- Unmarried child under age 19 (natural or legally adopted) of the employee or the employee's enrolled spouse/domestic partner
- Unmarried child between age 19 and 24 who is a full-time student and qualifies as a dependent for federal income tax purposes
- Ward (child) of a permanent legal guardian





Employer Information

Effective Date of coverage for a group must be the 1st or 15th of a month.

12-Month Rate Guarantees are extended to AB1672-qualifying groups on their original effective date. A group member's rate may be adjusted due to changes in age, residence or number of dependents.

Risk Adjustment Factor (RAF) ... Small Group premiums are based on cost trends in geographic areas and other factors which determine the Standard Employee Risk Rates (SERR) for each Medical plan. According to the group members' risk profiles, Blue Cross establishes a Risk Adjustment Factor (RAF) for each group, which adjusts the SERR up or down by a maximum of 10% in accordance with AB1672.

Employer Waiting Period, the length of time that must pass after employees are hired before they (and their dependents) become eligible for coverage, is chosen by the employer and can be the first of the month following an employee's date of hire or one, two, three, four, five or six months.

New Hires in an existing group can be enrolled by submitting applications for the new employees and their dependents to Blue Cross within 30 days of becoming eligible for coverage; applications must be received no later than the last day of the month prior to the requested effective date.

Declining Coverage ... if an employee chooses not to participate in a group's health plan, complete Sections 2 and 4 of the Small Group Employee Application within 30 days of becoming eligible.



Late Enrollment/Open Enrollment ... employees and dependents who are eligible for coverage but choose to delay enrollment may be considered late enrollees; their next enrollment opportunity would be the group's anniversary date during a period referred to as Open Enrollment.

Waiting Period for Pre-existing Conditions ... (not applicable for HMOs) may be imposed if an enrollee has/had a Medical condition before coming to our plan for which Medical advice, diagnosis, care or treatment was recommended or received within the prior six months. That means the enrollee might have to wait at least six months before the plan will provide coverage for that condition (does not apply to pregnancy or to a child enrolled in the plan within 30 days after birth/adoption). In some cases, the exclusion may last up to 12 months, or as long as 18 months for late enrollees. However, the waiting period can be reduced by the number of days of prior creditable coverage, during which the enrollee did not experience a break in qualified health coverage that lasted more than 63 days for an Individual plan or 180 days for an employer-sponsored or related plan. Proof of creditable coverage is required, which Blue Cross can help the enrollee obtain from a prior plan/issuer if needed. Most health coverage is creditable coverage, such as coverage under a group health plan (including COBRA continuation coverage), HMO, individual health insurance policy, Medicaid or Medicare. Creditable coverage does not include coverage consisting solely of excepted benefits, such as coverage solely for limited-scope Dental or Vision benefits.

Term of Coverage ... coverage remains in force as long as the group pays the required premium on time and remains eligible for membership. Coverage will cease if the group becomes ineligible for reasons including, but not limited to: failure to provide accurate eligibility information or other breach of contract, material misrepresentations, nonpayment of premium, and failure to meet minimum contribution and participation requirements.

Changes in Coverage (Benefit Modification) ... six months, after their original effective date or once in a 12-month period, a group may request to change their plans' waiting period, employer contributions and/or number of plans offered. The request is subject to underwriting approval and must be received 30 days prior to the requested effective date. Certain other change requests can only become effective on the group's anniversary date and may be subject to underwriting review, including: Risk Adjustment Factor review initiated by employer, adding dependent coverage for opposite sex domestic partners under age 62 (which is not required by law, but Blue Cross gives employers the option of offering), and adding part-time employee coverage. A benefit modification does not change the group's original effective date or initiate a new rate guarantee period.



We recommend the following resources for more detailed information about particular products.

MEDICAL & LIFE – Brochures

EmployeeElect Portfolio ... 16 Medical plans (12 PPOs and 4 HMOs) with products designed to fully satisfy the needs of most small businesses.

- EmployeeElect Medical & Life Plans Comparison Guide (form #11274)
- Summary of Features (16 separate brochures, one for each Medical plan)

EmployeeChoice Program ... 5-plan package that combines popular Medical plans from our EmployeeElect portfolio with the option to offer another carrier's HMO plan as well.

- EmployeeChoice Comparison Guide (#11486)
- Summary of Features (5 separate brochures, one for each Medical plan)

BeneFits Portfolio ... 5 cost-effective Medical plans and innovative solutions to help uninsured small businesses start offering coverage.

- BeneFits from Blue Cross brochure (form #10527)

DENTAL & VISION– Brochures

- Dental Plans Comparison Guide (form #8818)
- SmileNet Dental Discount Program (form #11038)
- Blue View Vision Program (form #11272)

WORKERS' COMPENSATION– Brochure

- "It Just Makes Sense" (form #IS7074)

Application Submission Checklist

Please make sure you include all of the following items when submitting an application. If the information is incomplete in any way, it could delay processing.

- A copy of your agent's quote, based on final enrollment figures
- The appropriate Small Group Employer Application
- The appropriate Small Group Employee Application, for all employees
Note: *Enrolling employees and their dependents must complete and sign the application. Employees and dependents declining coverage must complete Sections 2 and 4 and sign the application.*
- Most recent DE-6 Quarterly State Tax Withholding Statement with the status of all employees listed (e.g. terminated, waiving coverage, etc.)
- Sole Proprietors, Partners and Corporate Officers Statement, form #ME8054, for those not appearing on the DE-6 form
- Copy of last premium statement from former carrier, if applicable
- Cal-COBRA/COBRA/FMLA Questionnaire, if applicable (included in Employer Application)
- Integrated MediComp Workers' Compensation Application, form #IS2343, if applicable (included in the Integrated MediComp 24-Hour Coverage Brochure, form #IS7149)
- A company check for 100% of the first month's Medical, Dental, Life, and Vision premiums made payable to Blue Cross of California



Small Business Health Care Plans

Blue Cross of California and BC Life & Health Insurance Company

Call your Blue Cross agent or (800) 627-8797



BlueCross
of California



BC Life & Health
Insurance Company



Blue Cross of California
Commercial HMO/POS Combined



The Power of BlueSM

Blue Cross of California (BCC) is a health care service plan regulated by the Department of Managed Health Care (DMHC). BC Life & Health Insurance Company (BCL&H) is an insurance company regulated by the California Department of Insurance (DOI). BCC and BCL&H are Independent Licensees of the Blue Cross Association (BCA). The Blue Cross, Blue View Vision, BlueCard and MedCall names and symbols are registered service marks of the BCA.

The following Medical plans are offered by BCC: PPO \$40/\$30 Copay, Premier PPO \$20/\$10 Copay, HMO 100%, Classic HMO, Saver HMO, and Power SelectHMO. The following Medical plans are offered by BCL&H: Basic PPO, Saver PPO, PPO \$35 Copay GenRx, Advantage PPO \$25 Copay, Power HealthFund 750/500, and PPO 3500/2400 (HSA-Compatible) plans. Dental Net, Dental SelectHMO and Voluntary Dental Saver SelectHMO Plan offered by BCC. Silver 1000, Gold 1500, Gold Preferred 1500, Platinum 2000, Platinum Preferred 2000, Basic Option PPO, Standard Option PPO, High Option PPO, Fee-for-Service Dental plans and Voluntary PPO Dental Plan offered by BCL&H. SmileNetSM Dental Discount Program offered by BCL&H. Term Life and AD&D products offered by BCL&H. Blue View Vision offered by BCL&H.

Workers' Compensation coverage is provided through Employers Compensation Insurance Company. Administrative services for the Premium Only Plan (P.O.P.) are provided by Ceridian Benefits Services, Inc., an independent company that is not affiliated with BCC, its affiliates or parent organization.

HealthyExtensionsSM and Baby Connection programs are provided by Blue Cross as a service to our members; they do not constitute benefits under Blue Cross plans and are subject to change or cancellation without notice. Goods and services available through discount programs are not benefits of coverage. Blue Cross does not endorse or recommend any goods or services provided at a discount by these vendors or practitioners. These programs may be changed or withdrawn at any time without notice by the offering vendor or practitioner.

Blue Cross of California
Small Group Services
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