

For small businesses (2 to 50)

Effective January 1, 2010

Broker information booklet

Blue Shield is here for you

Blue Shield is dedicated to helping you grow and retain your book of business. We know what it takes to be successful, and you can count on us to support you in your sales efforts by offering you the most up-to-date information on our products, services, and sales tools.

What you need is right here in this Broker Information Booklet – your go-to guide when it comes to understanding what Blue Shield has to offer you and your small group clients. Inside you'll find an overview of our plans and portfolios, a look at our wide selection of sales materials and online sales tools, and much more!

In addition, you can access our materials easily on our exclusive online portal, Producer Connection. It gives you instant access to the information and resources you need to accelerate your sales, including our most powerful sales tools, rate and plan information, quoting and application tools, marketing resources, commission schedules, and more. Register today at blueshieldca.com/producer.

At Blue Shield, we are committed to you and your success. If you have any questions or need assistance, please call Producer Services at **(800) 559-5905**.

What's inside

Plan information	2	Sales support	16
Medical plans	2	Support for your clients	16
Benefit Summary Guide	3	Language assistance	16
Suite Deal	4	Wellness programs	17
Suite Deal Dental	5	Sales materials	19
PlanSelect	6	Understanding underwriting	20
Dual Choice	6	Contact us	24
Dual Option Dental	6	Blue Shield sales offices	25
Specialty products	7		
Bundle for Savings	8		
Important things to know	9		
12-month initial rate guarantee	9		
RAF programs	9		
Tax-saving options (FSA, HSA, and POP)	10		
Wrap policy	11		
Creditable/non-creditable plans	11		
Online tools	12		
Producer Connection	12		
Get a quote	13		
Small group Online Renewal Tool	13		
Online client list	14		
Online Bill Payment	15		

Blue Shield has the right plans for your clients

Blue Shield offers a variety of comprehensive healthcare plans – making it easy to satisfy the varying and unique needs of your diverse clients. You'll be able to provide different options, and your clients can choose one or a combination of plans. With our wide range of well-designed choices, we can help you meet any small group's budget and coverage needs, no matter what level of benefits they're looking for.

Access+ HMO plans

Our HMOs offer a variety of benefits that include preventive care, and inpatient and outpatient hospital services – at a range of price levels. All HMO plans offer access to one of the largest provider networks in California, with more than 29,700 doctors and 300 hospitals. And with our Access+ *Specialist*SM option, members can self-refer to a specialist. Our Access+ HMO[®] and point-of-service (POS) plans require employees and their dependents to live or work in a geographic area served by our Access+ HMO plan.

Please note: The Access+ *Specialist* option allows HMO members direct access to a participating specialist in the same medical group or IPA as their Personal Physician. Not all medical groups or IPAs participate in this program. Not available to Access Baja[®] HMO plan members.

Local Access+ HMO plans

To make healthcare coverage more affordable than ever for your clients, our Local Access+ HMO plans feature an exclusive network of physicians. Available in portions of five Southern California counties* as well as San Luis Obispo County, these plans offer your clients a way to manage their bottom-line costs, while giving their employees access to comprehensive quality healthcare coverage.

Please note: Local Access+ HMO plans may not be offered alongside a standard Access+ HMO plan.

Added Advantage POS Plan

Our POS plan offers the convenience and predictable out-of-pocket costs of our HMO, along with access to our extensive PPO networks and non-PPO providers. With Added Advantage POSSM Plan, your clients and their employees have the option to visit either their HMO Personal Physician or a PPO or non-PPO provider each time they access care. Our POS plan is based on the principles of an HMO plan, and is subject to the same live/work residency requirements as our HMO plans.

Please note: Access+ *Specialist* and Access+ *Satisfaction*[®] do not apply to the Added Advantage POS Plan.

Shield Spectrum PPO plans

Shield Spectrum PPOSM plans offer a wide range of rates, deductibles, and copayments. All provide preventive care benefits and direct access to the PPO network, which includes more than 48,000 physicians and over 350 hospitals.

Shield Savings

Shield SavingsSM plans offer affordable monthly rates with great benefits, including preventive care benefits before meeting the deductible. Plan members can also take advantage of potential tax savings available through a Health Savings Account (HSA). With a variety of rates, this well-designed portfolio of HSA^{**}-compatible, high-deductible health plans (HDHPs)^{**} provide affordable choices and access to quality coverage.

* If you are an employer located in Southern California or San Luis Obispo County whose eligible employees live or work in the Local Access+ HMO service area, you have the option of choosing the Suite Deal medical plan package with either the Access+ HMO plans or the Local Access+ HMO plans, but not both. Employees and all enrolled dependents must live or work in the Local Access+ HMO service area, which is outlined in the Benefit Summary Guide A16609.

** Although most consumers who enroll in an HSA-compatible health plan are eligible to open an HSA, members should consult with a financial adviser to determine if an HSA/HDHP is a good financial fit for them. Blue Shield does not offer tax advice or HSAs. HSAs are offered through financial institutions. For more information about HSAs, eligibility and the law's current provisions, consumers should ask their financial or tax adviser. HSA plan features may vary by institution and may be subject to change by those institutions.

Active Choice plans

Active ChoiceSM plans[†] distribute benefits among three categories of care – promoting greater management over routine healthcare spending while still providing reliable protection against the impact of high-cost services. These plans are ideal for employers who need to reduce their healthcare costs, but still want to provide their employees with comprehensive benefits. Plans also include a carry-over feature, so the unused first dollar services fund will roll over as long as the insured person remains a member of the plan through his or her current employer.

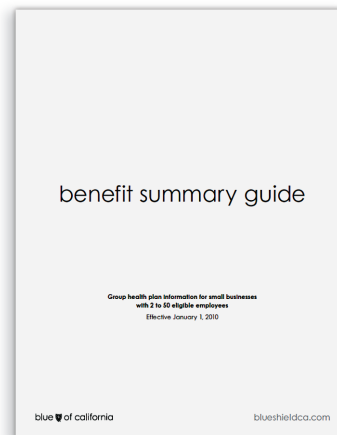
Access Baja HMO plans

If your clients want healthcare coverage in Baja California, Mexico, our Access Baja[®] HMO plans may meet their needs. The plans' service area is generally defined as the municipality of Tijuana or Mexicali, Baja California, Mexico and the area in California, United States within a 50-mile radius from the United States-Mexico border crossing points at San Ysidro and Calexico, California. For small groups, Access Baja HMO plans must be offered alongside another Blue Shield plan.

Note: Access+ *Specialist* and Access+ *Satisfaction* do not apply to the Access Baja HMO plans.

Benefit Summary Guide

Looking for one source of information on all our small group plans? This guide provides a complete summary of group health plans and detailed plan information for each of our small group plans. Please provide a copy to all your new groups. The guide is updated every cycle with benefit and plan changes, and can be found at blueshieldca.com/producer/smallgroups/products/.



[†] Underwritten by Blue Shield of California Life & Health Insurance Company.

Plan portfolios

Your small group clients can also choose to offer one of Blue Shield's plan portfolios, giving their employees a choice of a combination of plans packaged together to suit a variety of needs. We've expanded these portfolios of products to create a wider range of competitively priced choices for your clients.

Suite Deal

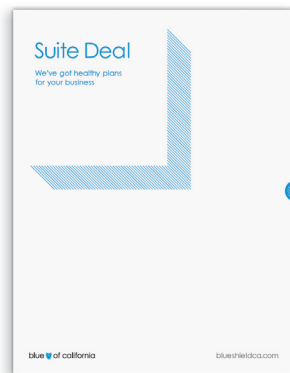
Our Suite Deal package is a pre-selected group of health plans designed specifically for businesses with 2 to 50 eligible employees, and offers great flexibility for your clients. Whether it's the Shield Spectrum PPOSM Plan 2000 Value* (with leaner benefits, the lowest-rate plan for small group employers), the Shield Spectrum PPO 500 Standard† (a richer benefit plan), or the Shield Savings QS 2000/4000 and Shield Savings QS 3000/6000, all are part of the Suite Deal package, offering your clients a diverse choice of coverage options.

Clients can choose from up to 11 out of 13 plans† There is something for everyone, including HMOs (Access+ HMO or Local Access+ HMO plans), and PPOs, including HSA-compatible HDHPs.

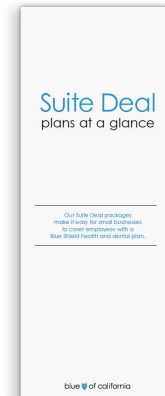
Plus, it includes a 12-month rate guarantee – which means clients' rates will not go up for at least the first 12 months.

We've also reduced participation requirements to 65%, which makes it even easier for your clients to get coverage.

The Suite Deal sales brochure has specifics on all the plans that are offered in the Suite Deal plan portfolio. It includes plan charts, program requirement information, health plan basics, and detailed information on Suite Deal Dental.



Want something easy to use and a great way to show all plan information at one time? We've got the Suite Deal Plans at a Glance sales piece. It's a great way to show your clients all the plans in this portfolio, side by side, as a quick overview on what this portfolio has to offer.



* Underwritten by Blue Shield of California Life & Health Insurance Company. Shield Spectrum PPO plan 2000 is pending regulatory review.

† If you are an employer located in Southern California or San Luis Obispo County, whose eligible employees live or work in the Local Access+ HMO service area, you have the option of choosing the Suite Deal medical plan package with either the Access+ HMO plans or the Local Access+ HMO plans, but not both. The service area for Local Access+ HMO plans includes portions of certain Southern California counties, as well as all of San Luis Obispo County, as described in the Benefit Summary Guide A16609.

Suite Deal participation requirements

Participation requirements for the Suite Deal medical plan package

The reduced participation requirement for Suite Deal is 65% with a minimum of two enrolling employees.

To determine if your group qualifies:

1. Add the total number of full-time employees including owners.
2. Subtract all waivers for other group coverage (including Medicare/Medi-Cal/military).

The resulting number is the total number of eligible employees.

3. If at least 65% of the eligible employees enroll with Blue Shield, your group has met this requirement (example: 12 employees x .65 = 7.8).

EXAMPLE

16

- 4

12

At least 8

When offering the Suite Deal medical plan package with another carrier's HMO

Follow steps 1 and 2 from the participation requirements above to confirm at least 65% of eligible employees are enrolling in coverage from either carrier under this employer AND the minimum participation in the combined Blue Shield plans must be equal to the greater of five actively enrolled employees or 50% of the total number of actively enrolled employees.

(Example: 8 employees x .50 = 4, minimum Blue Shield enrollment must be at least 5)

EXAMPLE

At least 8

50% of total enrolling employees
with a minimum of at least 5

5 employees required
to enroll with Blue Shield

Contribution options for the Suite Deal medical plan package

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 employee rates

Suite Deal Dental

Inspired by the popularity of our Suite Deal health plan package, Suite Deal Dental also offers greater flexibility with reduced participation requirements.

It's a package of five dental plans that include dental HMO and PPO plans. Like the Suite Deal medical package, the participation requirement is 65% of eligible employees. You can sell Suite Deal Dental with a Blue Shield health plan or on a standalone basis. Employees can select from among the five plans. Participation in all plans is not required.

Plan portfolios

PlanSelect – a flexible multiple plan offering

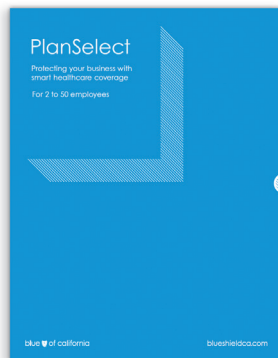
PlanSelectSM is one of the most flexible programs available for businesses with 2 to 50 employees, and an easy way for you to offer quality healthcare coverage to all your clients. Employers can pick any combination of different health plan choices,* providing a selection of coverage that helps ensure there is something for everyone.

Remember, as few as two employees or as many as 50 can enroll, and we don't say no to qualified small groups based on their employees' health history. PlanSelect is simple to administer and combines affordability, choice, and flexibility for your client's maximum satisfaction.

PlanSelect makes choice affordable for your clients. You can choose to offer them a large selection of quality plans, from traditional HMOs to newer PPOs, as well as popular HDHPs that are eligible for use with HSAs. Since employers choose the plans and decide how much they'll pay for employees and their dependents, they can easily stay within their budget. Now that's affordability.

To qualify, groups must meet one of two participation requirements, subject to standard underwriting guidelines:

- If offered as the sole carrier, a minimum of two enrolled employees is required; or
- If offered in conjunction with another carrier, the combined Blue Shield plan enrollment must equal the greater of five enrolled employees or 75% of the total number of enrolled employees in all plans.



The PlanSelect sales brochure has more detailed information on all the plans that make up PlanSelect. There are plan charts with benefit information for easy plan comparisons, information on Blue Shield programs, and more – all in an easy to understand format for your clients.

Dual Choice

With Dual Choice, groups with as few as two enrolling employees can create a health-plan package by pairing one Access+ HMO or Local Access+ HMO plan (except Access Baja plans) with a flexible Shield Spectrum PPO, Active Choice, Added Advantage POS, or HSA-compatible, Shield Savings plan. This provides your small group clients the selection of two different medical plan types to suit the needs of different employees.

Your clients have a similar option under the Dual Option Dental program, where they can choose a combination of any two dental plans, including a dental PPO and dental HMO.

* Access Baja HMO plans and Local Access+ HMO plans are not offered through PlanSelect.

Specialty products

Did you know small groups enrolled in Blue Shield medical and specialty coverage stay on the books 50% longer than those with medical coverage alone?¹ You can help retain your groups longer by selling them Blue Shield vision, dental, and life insurance² plans.

Long recognized as crucial to maintaining good overall health, regular eye and dental exams are also important for attracting and retaining valuable employees. Help your clients keep a happier, healthier, and more productive workforce by offering them comprehensive coverage with Blue Shield specialty products, all of which are available with or without Blue Shield medical coverage and without the need for underwriting.³ All that's needed is an application, payment, and enrollment information.

Vision plans

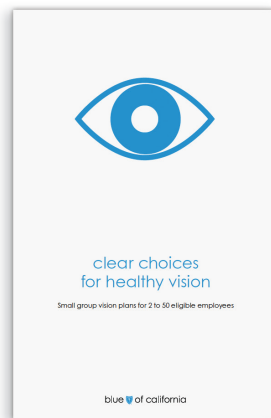
We offer a wide range of affordable, \$0 eye-exam copayment vision plans that focus on the eye health and visual acuity essential to workplace productivity, which helps clients' bottom line. In fact, a recent study⁴ shows that every dollar employers spend on vision coverage produces a return of \$7, in the form of a healthier, more productive workforce.

The nationwide provider network⁵ offers access to more than 16,000 ophthalmologists, optometrists, and opticians, as well as retail chain stores that feature convenient weekend and evening hours. For even greater flexibility, your clients can offer a voluntary vision plan⁶ that has no employer contribution requirements.

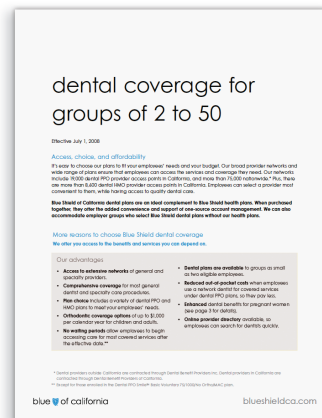
Dental plans

Aside from being one of the most requested employee benefits,⁷ routine dental exams are vital to oral health and the early detection and prevention of serious illnesses, including cardiovascular disease, diabetes, and pre-term and low-weight births.⁸

Your clients can choose from 10 dental PPO plans and four dental HMO plans, all featuring no waiting periods, a variety of rate options, and benefit designs. Some dental PPO plans offer calendar-year orthodontia benefits for adults and children, with no lifetime limit. Both dental HMO and PPO plan families offer large provider networks and voluntary plans, providing your clients' employees with greater flexibility.



For more information, please refer to the Clear Choices for Healthy Vision brochure (A37395) or visit blueshieldca.com/clearvalue.



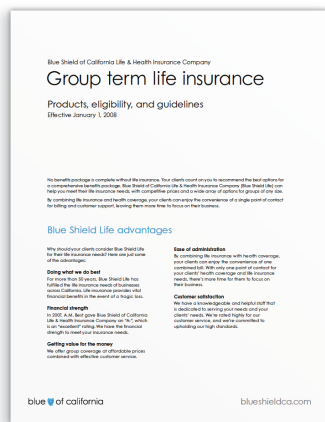
For more information, please refer to the Dental Brochure for Employers (A11836).

Please note that specialty products are not available with Access Baja HMO plans.

Life insurance

Life insurance offers a safe, predictable way to protect loved ones, especially in difficult times. Accidental death and dismemberment (AD&D) benefits provide financial support in the event of accidental loss. Plus, with affordable rates and a variety of coverage amounts, life insurance plans are easy to sell. And with an “A” (Excellent) rating from A.M. Best., Blue Shield of California Life & Health Insurance Company has the financial stability to help your clients rest easier.

For more information, please refer to the Group Term Life Producer Guide (ABU14956).



Bundle for Savings

To make it easier to sell specialty products, Blue Shield introduced Bundle for Savings,⁹ a program that allows your clients to save 10% on their specialty rates when they add three new Blue Shield specialty products to their Blue Shield medical coverage. If they add two new specialty products, they save 5%.

To learn more about Bundle for Savings, please visit blueshieldca.com/bundleforsavings or use the Bundle for Savings flyer (A36799)



To learn how to position all of our specialty products, check out the Top Reasons to Sell Specialty Products brochure (A37360).



- 1 "Average tenure with ancillary", Blue Shield of California Small Group study, 2007
- 2 Underwritten by Blue Shield of California Life & Health Insurance Company
- 3 Excludes ineligible groups. For full underwriting guidelines, please visit blueshieldca.com/producer
- 4 "Vision in Business report," Vision Council of America, July 2007.
- 5 Vision plan provider are available through a contracted vision plan administrator.
- 6 Available to groups that have a minimum of 10 enrolling employees
- 7 Life Insurance and Market Research Association (LIMRA International Inc.), 2004
- 8 "Effect of periodontal therapy on pregnancy outcome in women", Journal of Periodontology, 2007
- 9 Rate savings through Blue Shield's Bundle for Savings program are passed on due to increased Blue Shield efficiencies from administering medical and multiple specialty benefits plans on a group's behalf. Savings apply only to specialty product rates for products added at initial enrollment or renewal and accrued savings will be paid to the group after the 12th month of coverage. This program is available to all new and existing groups with 2 to 50 eligible employees who purchase new Blue Shield specialty products that are not voluntary products. If a group terminates the specialty products that made them eligible for savings prior to the end of their benefit year, then accrued savings will be paid to the group upon termination. Access to specialty benefits rate savings is not contingent upon renewal. Blue Shield may modify or discontinue this program at any time.

Important things to know

Our rate guarantee

Our 12-month rate guarantee helps you put your clients at ease. This initial rate guarantee for your new clients means their rates will not go up for at least the first 12 months, so they can more accurately predict and control costs.

RAF programs help keep your clients costs low

Use one of our two risk adjustment factor (RAF) programs to help keep your clients' costs as low as possible. For more detailed information on all our RAF reduction programs, go to Producer Connection at blueshieldca.com/raf. RAF programs are subject to changes and modifications.

When bringing clients to Blue Shield, our RAF reduction program is ideal for keeping rates lower. If the group qualifies, we guarantee up to a:

- 10-point RAF reduction for groups of 6 to 9 enrolling employees
- .90 RAF for groups of 10 or more enrolling employees*

To qualify, groups must have a 1.05 renewal RAF or lower from their prior carrier. No health statements or employer questionnaires are needed.

Suite Deal RAF program

For qualifying groups, we guarantee up to a:

- .90 RAF guarantee for groups of 10 or more enrolling employees*
- 10-point RAF reduction for groups of 6 to 9 enrolling employees

This program applies to groups within nine months of their most recent renewal.¹ A renewal RAF of 1.05 or lower qualifies. No health statements or employer questionnaires are needed.

Suite Deal RAF program for groups with no prior coverage²

For qualifying groups, we guarantee up to a:

- .90 RAF guarantee for groups of 10 or more enrolling employees
- 1.0 RAF guarantee for groups of 6 to 9 enrolling employees³

Note: Groups with employees enrolling in plans that are permissible to pair with a wrap product, Shield Savings 1800/3600,⁴ Shield Savings 2250/4500 or the Shield Spectrum PPO Plan 3000,⁴ are not eligible for the RAF program. This exclusion applies whether the plans are offered as standalone or as part of any package.

* The lowest RAF available is .90. For example, if a group has a renewing RAF of .95, it will receive only a .90 RAF from Blue Shield.

1 This program extends the eligibility of the renewal RAF letter from the prior carrier from 60 days to nine months. This RAF promotion extension is available only for new groups that select the Suite Deal package.

2 "Group with no prior coverage" is defined as a group in business for one year or more with no prior group coverage for at least 12 months, or a group in business for less than a year that meets the requirements of AB1672 and has no prior group coverage.

3 Groups may apply for a lower RAF via standard underwriting guidelines and the submission of health questionnaires.

4 Shield Savings 1800/3600 and Shield Spectrum PPO Plan 3000 are underwritten by Blue Shield of California Life & Health Insurance Company. Shield Savings 1800/3600 is pending regulatory approval.

Tax-saving options

A wide variety of personal savings accounts (PSAs) are available in the marketplace to fit your clients' needs. From Flexible Spending Accounts (FSAs) to the consumer-directed Health Savings Accounts (HSAs), PSAs can help employers and their employees save.¹

While Blue Shield is not a financial institution and does not provide tax advice or PSAs, we have relationships with two companies that offer these accounts: Wells Fargo and Ceridian. By consolidating all their PSA options, your clients can enjoy increased convenience and administrative flexibility.

Flexible Spending Account

FSAs² can be a tax-free way for employees to save for qualified medical expenses during a single plan year. Pre-tax contributions can be deducted from the employee's paycheck, which reduces the employee's federal and state taxable income and FICA (Social Security and Medicare) taxes, as well as the employer's matching FICA taxes. All Blue Shield health plans can be used with an FSA.

Health Savings Account

An HSA³ is a savings account that individuals can use to pay for qualified medical expenses. This consumer-directed approach to health care is available only in conjunction with an HSA-eligible, high-deductible health plan (HDHP). Pre-tax funds can be deducted from employee paychecks, employees can make lump sum contributions, and employers can make contributions individually. Depending on the HSA selected and the individual tax situation, after-tax contributions may be deductible on employees' federal tax returns, even if they do not itemize deductions. Unused funds in the HSA can accumulate year-to-year. Individuals may be eligible to purchase HSAs on their own. All Shield Savings plans are HSA-eligible HDHPs.

Premium Only Plan

A Premium Only Plan (POP) is an easy, convenient way to increase employee take-home pay and reduce company payroll taxes. With a POP, a company's taxable payroll can be reduced by the amount employees contribute to certain employer-sponsored group benefit plans, which can lower payroll-related taxes. And employees' taxable income can be reduced by the amount of their benefits premium contributions, so employees pay less federal tax, FICA (Social Security) tax, Medicare tax, and most state income taxes – in effect increasing their take-home pay.

- ¹ This is a summary only, and may or may not apply to a particular individual/group. Blue Shield does not provide any of these services, rather, the institutions do. Your clients should consult a tax adviser before deciding whether these options are a fit for them.
- ² Blue Shield does not offer tax advice or PSAs. PSAs are offered through financial institutions. For more information about PSAs, eligibility, and the law's current provisions, consumers should ask their financial or tax adviser. PSA plan features may vary by institution and may be subject to change by those institutions.
- ³ Although most consumers who enroll in an HDHP are eligible to open an HSA, members should consult with a financial adviser to determine if an HSA/HDHP is a good financial fit for them. Blue Shield does not offer tax advice or HSAs. HSAs are offered through financial institutions. For more information about HSAs, eligibility, and the law's current provisions, consumers should ask their financial or tax adviser. HSA plan features may vary by institution, and may be subject to change by those institutions.

Wrap policy

As part of our small group business submission process, you are required to submit a signed Verification and Statement of Understanding. This form states that the Shield Savings plan 1800/3600* (HSA-eligible), Shield Savings plan 2250/4500 (HSA-eligible), and Shield Spectrum PPO Plan 3000* are the only Blue Shield plans offered by either Blue Shield of California or Blue Shield of California Life & Health Insurance Company that may be used with any form of an employer-sponsored wrap plan. Underwriting criteria prohibits pairing any other health plans with a wrap plan at any time, with the exception of an HSA or employee-funded general purpose FSA.

If a group offers a self-funded arrangement to employees contrary to this policy, and you as the broker of record knowingly support or encourage this arrangement, your Blue Shield producer agreement could be terminated. Termination of your Blue Shield producer agreement for cause would result in termination of your commissions.

You must submit a signed Verification and Statement of Understanding (C20283), which acknowledges that you understand and agree to this policy. This verification must also be signed by the employer group. You can find this form and more details at blueshieldca.com/producer/smallgroups/enroll.

Note: All renewing groups are required to sign this form to indicate understanding of and compliance with our wrapping policy.

* Shield Savings 1800/3600 and Shield Spectrum PPO Plan 3000 are underwritten by Blue Shield of California Life & Health Insurance Company. Shield Savings 1800/3600 is pending regulatory approval.

Creditable and non-creditable plans

Creditable coverage

A health plan's prescription drug coverage is creditable if the amount the plan expects to pay on average for prescription drugs for individuals covered by the plan in 2010 is the same or more than what standard Medicare prescription drug coverage would be expected to pay on average.

If a client with creditable coverage decides to drop their coverage, he or she has 63 days to enroll in a Medicare PDP or Medicare Advantage-Prescription Drug Plan (MA-PD) without risk of a late enrollment penalty.

Non-creditable coverage

A health plan's prescription drug coverage is non-creditable when the amount the plan expects to pay on average for prescription drugs for individuals covered by the plan in 2010 is less than that which standard Medicare prescription drug coverage would be expected to pay on average.

Individuals who have prescription drug coverage that is non-creditable have two choices:

1. Do nothing and pay a late enrollment penalty if they decide to enroll in a Medicare PDP or MA-PD later; or
2. Purchase an individual Medicare PDP or MA-PD in addition to their health plan's coverage (if doing so does not otherwise affect their eligibility for group coverage, depending on the group's eligibility rules).

For those who decide to purchase a Medicare PDP or MA-PD, the annual election period is November 15 through December 31, 2009. They may be subject to a late enrollment penalty if they didn't enroll when they were first eligible.

Medicare-eligible individuals with non-creditable coverage who elect to do nothing and keep their current coverage, but then enroll in a Medicare PDP at a later date, will pay a premium penalty of 1% per month for every month they delayed signing up. This is a lifetime penalty that is added to the premium each year.

For a list of current Blue Shield plans that offer creditable prescription drug coverage and those that do not, simply log onto blueshieldca.com/producer/medeligible/products/creditablecoverage.

Online tools

Your guide to fast online sales and renewal services

Sell faster and smarter by using Blue Shield's exclusive suite of intuitive online sales and renewal tools, available only for our valued brokers. Take advantage of reduced paperwork, automated client management, and 24/7 access to vital information, and leave yourself more time to focus on growing your business.

Producer Connection

From generating new leads and quickly turning prospects into sales, to seamlessly supporting your clients from enrollment through renewal, our Producer Connection Web site will help you work more efficiently and with greater rewards.

Here are just a few ways you can grow your business with Producer Connection:

- By linking your site to ours, you can ensure that you earn commissions every time your clients shop and enroll online.
- Save time and gain efficiency when you quickly complete a quote or application online, and be able to check application status any time at the click of your mouse.
- Save time and alleviate administrative hassles through our easy Small group Online Renewal Tool.
- Stay organized by viewing and managing your client lists online, or downloading them for use in mailings.
- Increase your sales by easily providing your clients with product and rate information – available instantly as downloads, or by ordering printed versions.
- Generate new leads and boost awareness using our customizable ads and direct-mail pieces, available through Sales Activator.
- Use your earned co-op dollars online for your marketing programs, when appropriate.

Your link to faster sales

Our sales tools can increase your profits by helping you quickly match your clients with the plan that's right for them. Whether you're putting together a proposal or preparing your clients for renewal, the online tools at Producer Connection can help streamline or even automate the process. Remember, you can contact Producer Services at **(800) 559-5905** for personalized assistance with any topic.

Learn about plans and rates

Small group business has its own *Plans & Rates* page. In this section, you'll find downloadable sales brochures, product sheets, benefit summaries, underwriting guidelines, forms, and applications. You can also download and print or e-mail sales materials directly to your clients, to save money and time on postage and delivery!

Here's how to find and print what you need online:

1. Log in to Producer Connection at **blueshieldca.com/producer** with your username and password.
2. Select Small groups from the *Plans & Rates* menu.
3. In the right- and left-hand navigation bars of the appearing page, you'll find links to all the resources you need on plans, rates, and enrollment forms.
4. To find forms for your existing clients, click on *Help Current Clients* to access plan transfer forms, applications, and more.

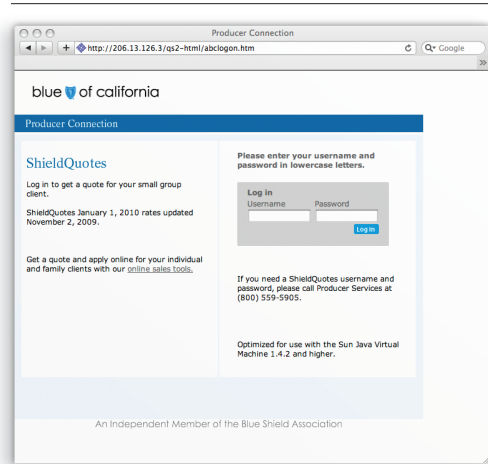
Create stronger proposals for easier sales

Enhance your proposals with sales support materials that cover topics ranging from the rising cost of health care to leveraging the advantages of Blue Shield's not-for-profit status.

1. Log in to **blueshieldca.com/producer** with your username and password.
2. Choose *Tools Home* from the *Tools* menu.
3. Scroll down to the *Create Proposals* section to view tips.

Get a quote

Save time and wow your small business clients by quickly generating professional proposals through ShieldQuotesSM. We make it simple to create dynamic, targeted, yet turnkey proposals at the click of your mouse – perfect for winning small group business. ShieldQuotes makes it easy to quote and create winning business proposals by pulling in quotes and plan summaries, as well as additional benefits you wish to include, such as dental, vision, and life insurance coverage.



To begin a quote:

1. Go to **blueshieldca.com/producer**.
2. Choose small groups (2 to 50) from the *Plans & Rates* menu in the menu bar.
3. Choose *Get a Quote* from the left-hand menu, and then *Create New Quote*.
4. Use pre-selected health plans and riders to create a quote.
5. Click *Retrieve Saved Quotes* to review previously created quotes.
6. For up-to-date status of your small group applications, choose small groups (2 to 50) from the *Plans & Rates* menu in the center of the page, and click *Check Application Status*.

Renewing online

Our Small Group Online Renewal Tool has what you need to save time, satisfy customers, and retain more business. Take advantage of insightful and intuitive features like the ability to send alternative quotes to your clients and submit subscriber changes and cancellations anytime – with an instant receipt! Provide great service and retain more of your business when you use the tool to create customized, side-by-side renewal options to present to your groups. The group's demographics are embedded in the quote, so your alternate quotes are created with precision. Your renewing groups will be delighted by the ability to easily compare their current plan with alternative Blue Shield plans to see how they can potentially save money.

To access the Small group Renewal Tool:

1. Go to **blueshieldca.com/sgrenews** and log in with your username and password.
2. Learn more about the tool and when you are ready, select *Small Group Online Renewal Tool*.
3. From this screen you can choose to do one of three things:
 - Select *Update Subscriber* to update subscriber information
 - Select *Cancel Subscriber* to cancel subscribers
 - Select *Renewals Online* to view your groups and generate alternative proposals.
4. When you select *Small group Online Renewals*, you will see a list of all your renewing groups along with important renewal information, including their current rate and new renewal rate.
5. You can then click on a group to create alternative quotes, view saved quotes, check submission activity of quotes already submitted to the client, and e-mail or print the screen you are on.

Online client lists

Keeping track of every client can be a tough thing to manage – especially when you want everyone to feel like they're your only client. And keeping client lists up to date can be challenging with information constantly changing. But with Blue Shield, managing your book of business is easy, because your small group client lists are automatically stored and updated online for you. You can view and sort your lists on the site, save them as PDFs, or export them to Excel for use in your marketing programs. Best of all, lists are updated daily, ensuring you always have the most current information. You can:

- Sort your client list by name, payment status, or renewal date to prioritize your actions
- View current payment status for all your clients, to help prevent cancellations
- Keep track of effective and renewal dates, and contact clients about cycle changes and new plans before renewal letters are mailed out
- Verify subscriber data to ensure your clients are being billed accurately

To view your small group client lists:

1. Go to **blueshieldca.com/producer** and log in with your username and password.
2. Choose Small groups (2-50) from the *Plans & Rates* menu in the center of the page.
3. Click *Online Client List*.
4. When the list appears, click on a column heading like *Renewal Date* or *Payment Status* to sort in ascending or descending order.
5. For groups, clicking on a group name will open a new window showing enrolled subscribers and related data.
6. To download a client list, click on the PDF or Excel icons. When you export a list to an Excel file, you'll be able to use the data to create mail lists and databases.

Customized directories

Instead of relying on printed directories, you and your clients can access the most up-to-date provider listings online, and customize them for their individual needs.

1. Log in to **blueshieldca.com/producer**.
2. Choose Tools Home from the *Tools* menu.
3. Under Business Management Tools, click *Provider Directory*, then follow the prompts to create and even e-mail a custom directory for your client(s).

Online bill payment

Your clients can use our convenient Easy\$PaySM Online payment tool to automatically pay their bills by scheduling recurring monthly or one-time payments. They can view member details, easily keep track of payment status, and view up to 12 months of payment history – all in one convenient online location.

Get your clients started simply by letting them know the following:

- They go to **blueshieldca.com/employer** and click on *Admin Resources*, then scroll down to the Quick Information section and click on *Pay Monthly Premiums*. They will then be prompted to register at <https://ebilling-poc.crmondemand.com/ebilling>.
- Upon registration, they click on *Register Small Group Admin* and key in their customer number and billing unit number. They will also need their last bill amount and renewal date information.
- They will be prompted to the User Credential Information screen, where they will need to fill out detailed information as the benefit administrator, and create a User ID and password for the group. The User ID and password may contain characters such as a hyphen or @ symbol.
- Have your clients verify that the group number and billing units are correct. (If they're not, they should click *No*, and they will be redirected to call Customer Service.)
- Clients can log in and add a bank account by choosing *Payments* and selecting *Payment Accounts* to add bank account information. Upon filling out all the required fields, they click *Save* to save a payment account for future use.

Once they've signed up, your clients can proceed to log in and make one-time or recurring payments – it's that simple!

How clients make a one-time payment:

- Access the Quick Links and click on *Make a One-Time Payment*
- After filling out the Payment Amount information, click on *Pay Now*
- Upon reviewing all the payment information, click on *Continue* and choose a bank account from the drop-down menu
- Look over all the information, then confirm by clicking *Submit* – and their payment is easily processed

One-time payments are made on the current date on which your clients are paying their bill.

How clients set up a recurring payment:

- Under Quick Links, choose the *Setup Recurring Payments* link and select the payment account, recurring payment information, and effective period
- Click *Update Recurring Payment Account* to successfully complete the setup

Don't forget to remind clients to fill out their e-mail address, so they can take advantage of e-mail notifications.

It's that simple – now clients are set up to pay bills online, with fewer questions for you, giving you added time to make more sales.

Sales support

We want building and maintaining your Blue Shield book of business to be as easy as possible for you. That's why we have dedicated and knowledgeable support teams to serve you, and convenient services to help you succeed in all your sales efforts. Additional information is provided in order to make sure you are updated on Blue Shield's policies and plan information.

Your sales support team

Each member of your dedicated, full-service Blue Shield account team is ready to help you build your business. Here's who to contact when you need help:

- **Regional sales executive:** new case submission requirements and preparation, underwriting guidelines, coordination of open enrollment meetings (bilingual services available), client presentations, and product training.
- **Account manager:** renewal activities such as open enrollment and plan and enrollment changes; broker assistance with escalated service issues; and addition of dental, life insurance, and vision coverage (at mid-cycle or renewal).
- **Sales assistant:** small group quotes, new case submission preparation for underwriting, new case submission status, supply requests, open enrollment packets, and applications
- **Retention specialist:** broker assistance on escalated service issues and claims; act as a liaison between brokers and our internal operations departments

Simply log onto blueshieldca.com/producer/contactus and select *Small Groups (2-50)* for a list of our sales executives.

Support for your clients

Language assistance

State legislation was enacted to help alleviate language and cultural barriers. It mandates that all California health plans provide language assistance services to their members with limited English proficiency. The legislation is enforced through regulations issued by the Department of Managed Health Care and the Department of Insurance, which require health plans and insurers to implement a language assistance program that assesses members' language needs and provides:

- Interpretation for covered medical services
- Translation of vital documents into the carrier's threshold languages (including applications; enrollment forms; consent forms; plan benefit summaries; and notices about the denial, reduction, modification, or termination of services and benefits, and the right to file a grievance and appeal)

Blue Shield has identified three threshold languages: Latin American Spanish, traditional Chinese, and Vietnamese (each carrier is responsible for assessing the needs of their members). We understand the importance of providing interpretation services to our limited English-proficient (LEP) members, and these services are available in more than 170 languages, including Korean and Japanese. To help meet the needs of your LEP clients and their employees, please encourage them to contact our dedicated language assistance phone line at **(866) 346-7198**.

You can also download medical plan benefit summaries, applications, and dental, life insurance, and vision plan summaries in English and Spanish at blueshieldca.com/producer/smallgroups. So whether your clients speak English or Spanish, you'll be able to provide them with these marketing and enrollment materials in their native language, quickly and easily. To request vital documents in Chinese or Vietnamese, please contact Producer Services at **(800) 559-5905**. LEP clients and their employees may also request these directly by calling the language assistance phone line.

Wellness programs

We believe that encouraging wellness goes beyond your client's basic health plan benefits. That's why we support them with a wide variety of programs, tools, and services, available over the phone and online. No matter which plan your clients choose, they can take advantage of our Health & Wellness resources at no extra charge. These valuable resources include:

NurseHelp 24/7

NurseHelp 24/7SM provides your clients and their employees with nurse support service by phone or online. Registered nurses can give immediate answers to medical questions and reliable information about health conditions.

LifeReferrals 24/7

LifeReferrals 24/7SM offers your clients and their employees personal counseling and work/life resources services. A team of experienced professionals can assist on a wide variety of topics like personal issues, legal or financial questions, child/elder care, and chronic-condition management.

Healthy Lifestyle Rewards

This integrated online program includes information about diet and nutrition, meal planning, exercise, stress, and smoking cessation, and features a variety of interactive tools designed to motivate your clients' employees to adopt a healthy lifestyle. They can take a Wellness Assessment and get a personalized wellness plan.

Online decision support tools

When your clients or their employees are faced with important medical decisions, these online support tools help them determine the care that's right for them. Our Treatment Options Tool, Hospital Comparison Tool, and various pharmacy tools provide them with access to personalized health reports, hospital comparisons, and pharmacy information.

My Health Plan

Registered members will find the tools and information they need when they log on to blueshieldca.com and click on *My Health Plan*. With a click of the mouse, members can see highlights and details of their health-plan coverage, information to help them better understand copayment and deductible amounts, and they can check their claims status and more.

Health management programs

Our health management programs can help your clients and their employees manage chronic conditions that can significantly impact their physical and emotional health and well-being. These services offer up-to-date health and wellness information and strategies for self-management, at no extra charge.

Diabetes Program

Your clients or their employees living with diabetes who meet eligibility requirements can receive educational materials and speak directly with a nurse care manager by phone, to help them maintain a healthy lifestyle and reduce the chances of developing diabetes-related complications.

Asthma Program

Your clients or their employees with asthma will be able to breathe easier with this program that gives children and adults strategies for managing asthma with their doctors' help. Members eligible for the program receive educational materials based on national guidelines, and direct one-on-one coaching from a registered nurse, to help them live better with asthma.

Coronary Artery Disease (CAD) Program

This education program focuses on providing the right tools in order to maintain a healthy lifestyle. The program provides education and nurse coaching to all eligible members on such topics as high blood pressure, cholesterol management, smoking cessation, nutrition, exercise, and stress management.

Chronic Obstructive Pulmonary Disease (COPD) Program

Blue Shield plan members with chronic emphysema or bronchitis who are enrolled in this health management program will receive education and nurse counseling to prevent frequent hospitalization and promote an active lifestyle.

Wellness programs (continued)

Heart Failure Program

Your clients or their employees with heart failure who are enrolled in this program may receive daily symptom monitoring through a monitor and scale that are sent to the member's home. They also receive nurse phone calls and educational materials to empower them to be active participants in managing their disease.

Prenatal Education Program

This educational program guides expectant parents from the first trimester to postnatal care, with resources and support. The program offers members practical advice and useful information for a healthy pregnancy, including a pregnancy calendar and a prenatal guide with information on pregnancy, birth, home safety, first aid, vaccines, and more.

Wellness discount programs

Blue Shield knows that wellness is very important. So to make it easier for your clients and their employees to take better care of themselves, we offer a wide range of discount programs¹ that can help them save money and get healthier. Blue Shield member discounts include:

Weight Watchers

Members can take advantage of a wide range of savings on local meetings, online subscriptions, and at-home kits to help them lose those extra pounds and maintain a healthy weight.

24 Hour Fitness

Your clients and their employees can enjoy a variety of waived initiation and processing fees and discounted monthly dues as low as \$24.99 per month.

Drugstore.com

Your clients and their employees can receive a wide range of discounts when they shop online for health and wellness products at drugstore.com.

MyLifePathSM Alternative Care Discount Program

Your clients and their employees can save on a variety of wellness services from participating practitioners including a 25% discount on acupuncture, chiropractic services, massage therapy, and up to 40% off on quality health-improvement products with free shipping on most items.

Discount Vision Program

Members can receive 20% off the published retail prices when they use a network provider in the Discount Vision Program network for these services and supplies:

- Routine eye examinations
- Frames and lenses
- Photochromic lenses
- Tints and coatings
- Extra pair of glasses
- Non-prescription sunglasses

LASIK discounts

With any Blue Shield plan, your clients and their employees can receive access to a 15% discount on LASIK and PRK laser vision surgery through the TLCVision provider network in California.

¹ The network of practitioners and facilities in the discount programs are managed by the external program administrators identified below, including any screening and credentialing of providers. Blue Shield does not review the services provided by discount program providers for medical necessity or efficacy. Nor does Blue Shield make any recommendations, representations, claims, or guarantees regarding the practitioners, their availability, fees, services, or products.

Some services offered through the discount program may already be included as part of the Blue Shield health plan covered benefits. Members should access those covered services prior to using the discount program.

Members who are not satisfied with products or services received from the discount program may use the Blue Shield grievance process described in the Grievance Process section of the *Evidence of Coverage* or *Certificate of Insurance*. Blue Shield reserves the right to terminate this program at any time without notice.

Discount programs administered by or arranged through independent companies:

- Alternative Health Services Discount Program – American Specialty Health Networks of California Inc. (ASH Networks)
- Discount Vision Program – MESVision
- LASIK and PRK – Laser Eye Care of California LLC
- Weight control – Weight Watchers North America
- Fitness facilities – 24 Hour Fitness
- Health products (excluding prescription drugs) – drugstore.com inc.

Sales materials that work

It's easy to sell our plans by using our convenient sales materials. From attracting leads to renewing business, your business will prosper when you utilize these dynamic and powerful resources. It's simple to get the materials you need quickly, whether online, delivered to your door, or put in your clients' hands.

Take advantage of our extensive materials, including:

- Sales tools: PlanSelectSM sales brochure, Suite Deal sales brochure, Suite Deal Plans at a Glance
- Plan coverage and rate brochures for medical, dental, vision, and life insurance plans
- Enrollment applications and change forms
- Underwriting guidelines
- Provider directories
- Personalized business cards
- Customizable direct mail, ads, and other marketing collateral

Save time and money with online materials

You may find that it's more efficient to have sales materials accessible on your computer, ready to print for a meeting or e-mail to a client. This not only saves you money on postage, it can also help you earn commissions faster. Get your clients the information they need sooner, in order for them to make a quicker decision.

Here's how to find and print your online sales materials:

1. Log in to Producer Connection at blueshieldca.com/producer with your username and password.
Note: If you haven't created an account, click Register now in the Producer log-in section, and follow the prompts.
2. Select Small group from the *Plans & Rates* menu.
3. In the right- and left-hand navigation bars of the appearing page, you'll find links to all documents.
4. To find forms for your existing clients, click *Help Current Clients* to access plan cycle information, applications, transfer forms, and more.

Know exactly what you need? Use the *Find a Form* search tool located in the center of the Producer Connection home page.

Materials delivered to your door

Need larger quantities of some materials, such as sales brochures, printed and shipped right to your office? We've made it easy, giving you three ways to order:

1. **Order online:** Log in to Producer Connection at blueshieldca.com/producer with your username and password or go to our fulfillment site at <http://bsc.liforders.com/>
2. **Order by phone by calling (800) 559-5905**
3. **Order by e-mail** at producerservices@blueshieldca.com
 - Include a description or part number for the document(s) you'd like printed
 - Your e-mail should include your name, producer ID number, and shipping address

Whichever method you choose, you should receive your materials in the mail within four to seven business days.

Understanding underwriting

We want you to have a quick overview of the main points of our underwriting guidelines. The information below is a brief explanation of some of our general underwriting guideline requirements, to be used as a quick reference tool when you are on the go. To download or see our complete Underwriting Guidelines (A16060) or QuickStart Underwriting Guidelines (A16614), please go to blueshieldca.com/producer/tools.

General requirements

To qualify for any Blue Shield health plan coverage on a guaranteed-issue basis, a group must meet the criteria outlined below in the Guaranteed Issue, Employer Eligibility Requirements, and Enrollment Criteria sections.

Guaranteed issue (applies to medical only)

If the employer employs 2 to 50 eligible employees and meets the requirements of AB 1672 (the California Small group Reform Act), the employer is eligible for Blue Shield's guaranteed issue and guaranteed renewable small group health plans. The primary requirements are:

- The employer is actively involved in business or service, and is a California "small employer," defined as having employed 2 to 50 permanent full-time eligible employees on at least 50% of its working days during the preceding calendar quarter or calendar year. In determining whether to apply the preceding calendar quarter or year test, Blue Shield will use the test that ensures eligibility.
- The business was not formed primarily for the purpose of obtaining health coverage.
- Eligible employees are actively engaged on a full-time basis at least 30 hours per week in the conduct of the business of the employer and have met any waiting period requirements. This also includes sole proprietors or partners of a partnership, and eligible employees obtaining coverage through a guaranteed association.
- Eligible employees may also be permanent employees who work at least 20 hours per week.
- The employer offers health plan coverage to 100% of its eligible employees.
- At least 51% of group's full-time employees must be employed in California.

Non-guaranteed issue

The following groups are not eligible for guaranteed issue, but could be considered with underwriting approval or exception:

- Groups that fail to meet the above guaranteed-issue criteria.
- Carve-out groups (see Section II, Other Requirements, on page 10 of the Underwriting Guidelines).
- Groups that employed fewer than two employees and no more than 50 employees on at least 50% of their working days during both the previous calendar quarter and the previous calendar year.
- Employer groups with less than 51% of all full-time employees working in California may be considered for coverage only on a non-guaranteed issue basis if the requirements listed for carve-out groups are met (see the Underwriting Guidelines, page 12), as well as all other group and enrollment criteria. Only employees working in California will be eligible for coverage.

Employer eligibility requirements

- Must be a person, firm, proprietary, or nonprofit corporation, partnership, public agency, or guaranteed association.
- Must have and maintain business licensure and/or appropriate state filings allowing the company to conduct business in California.
- Must be actively engaged in business or service.
- Must not have been formed primarily for the purpose of buying health plan/insurance coverage.
- The majority (51% or more) of all full-time employees must be employed in California.
- Must have at least two and no more than 50 eligible employees.
- All employees must be covered by workers' compensation when required by law.

Ineligible categories

Associations, multiple employer trusts, union trust plans, Taft-Hartley groups, retirees, and hour bank groups are not eligible.

Blue Shield defines these groups as follows:

- Association – A group of employer units that are banded together for any reason, unless the group meets the definition of a guaranteed association. For a full definition, please refer to the Underwriting Guidelines.
- Multiple employer trust – Employers, usually in the same or related industries, which are brought together by an insurer, agent, broker, or administrator for the purpose of providing insurance for their employees under a master contract issued to a trustee under a trust agreement.
- Union trust plans – When a small group employer is contributing to a labor fund, in compliance with a collective bargaining agreement and for the purchase of healthcare benefits, that employer's union employees are considered ineligible for Blue Shield purposes.
- Retirees – Retirees are individuals who are former employees, typically over age 65, and who may be eligible for retiree benefits if offered by the employer.
- Taft-Hartley – A group in a trust established under the authority of the Labor Management Relations Act of 1948. It comprises one or more unions and one or more employers who provide coverage for union members. A group contract is issued to the trustees named under the trust agreement, which usually results from collective bargaining.
- Hour bank group – A Taft-Hartley welfare fund in which eligibility under the fund is determined by a specific number of hours worked. If an employee works more hours than is needed to maintain eligibility, the employee can put all or a portion of these excess hours in the bank. If an employee works insufficient hours to maintain eligibility, the employee can draw on bank hours.

Other ineligible classifications include private households, single-employee companies, employees providing contracted services (i.e., receiving I-1099 forms for income tax purposes), leased employees, or employees part of a co-employment or professional employer organization (PEO) relationship, domestic help, and members of organizations (such as credit unions or fraternal order member organizations). Please see the PEO section on page 9 of the Underwriting Guidelines for eligibility information concerning leased employees or employees that are part of a co-employer relationship.

Employer/employee relationship

- A bona fide employer/employee relationship must exist.
- An employee who works a minimum of 30 hours per week is considered a full-time employee.
- An employee who works at least 20 hours, but not more than 29 hours, per week is considered a part-time employee.
- Persons compensated on a 1099 basis are not eligible.
- There can only be one employer group per group benefit agreement/policy. Multiple employer groups that meet the definition of a single group employer under AB 1672 are counted as a single employer group.

NOTE: Blue Shield limits each group agreement/policy to a single employer-employee relationship. This means that owners of multiple corporations may not combine those corporations under a single Blue Shield agreement unless they are eligible to file a combined tax return for the purposes of state taxation, meeting the definition of one employer as defined in AB1672.

Eligible employees

To be eligible for coverage, an employee must:

- Work on a full-time basis in the conduct of the business of the employer, whose normal work week is at least 30 hours, and whose duties in such employment are performed at the employer's regular places of business (subject to withholding on a W-2 form); or
- Be a sole proprietor, corporate officer, or partner of a partnership engaged on a full-time basis, at least 30 hours per week, in the employer's regular places of business;

Understanding underwriting (continued)

- Work at least 20 hours, but no more than 29 hours, per week (as defined under SB 1790) in the employer's business on a permanent, year-round basis.
- Have met the individual employee criteria, as defined within the SB 1790 employer option.
- Receive monetary compensation for that work by the employer;
- Be a bona fide employee of the employer;
- Have met any applicable employer-imposed eligibility waiting period; and

The following are *not* eligible for coverage:

- Residents of Hawaii
- Retirees
- Part-time (unless SB 1790 eligible), temporary, substitute, or seasonal employees (seasonal or substitute employees, defined as employees hired with a planned future termination date, are not eligible)
- 1099 independent contractors
- Domestic help
- Employees participating in a multiple employer group
- Leased employees or employees part of a co-employment or PEO relationship (please see PEO section for leased employees or employees that are part of a co-employer relationship)

Enrollment criteria

Group participation requirements

- To offer any Access+ HMO plan, the employer's place of business must be located within one of Blue Shield's HMO plan service areas.
- If Blue Shield is the only plan offered, 75% of all eligible employees must enroll in the Blue Shield plan(s).
- Under the Suite Deal program, 65% of all eligible employees must enroll in the Blue Shield plans in that program.
- Under the PlanSelect program, if Blue Shield is the sole carrier, a minimum of two employees must be enrolled; if Blue Shield is offered alongside another carrier, minimum participation in the Blue Shield plans combined must equal the greater of five enrolled employees or 75% of the total number of enrolled employees.
- Blue Shield plans, including Access Baja HMO, plans within Dual Choice, and plans within Suite Deal may be offered with another carrier's HMO. The minimum participation in the Blue Shield plans combined must equal the greater of five actively enrolled employees or 50% of the total number of actively enrolled employees. (See the PlanSelect section on pages 5

and 6 of the Underwriting Guidelines, and the Active Choice and Shield Savings 4800* sections on page 8 for additional participation requirements). Waivers are required for employees that are enrolling in another carrier's plan.

- If the group contributes 100%, then 100% of the eligible employees must enroll (this 100% does not include those refusing other group coverage).
- Employees refusing coverage because they are covered under group coverage are not counted towards the participation requirement.
- The group agrees to inform its employees of the availability of coverage.
- The group must inform its employees who refuse coverage that unless they qualify for late or special enrollment, they must wait until their group's next anniversary date to obtain coverage. (See the Late enrollees and Special Enrollment Period sections on page 22 of the Underwriting Guidelines, and see pages 22 and 23 for exceptions.)
- The group must maintain the required minimum participation level to remain eligible (or 100% participation, if non-contributory). Groups are subject to non-renewal if participation falls below the required minimum.
- If spouses or domestic partners both work for the same employer, they may enroll separately as employees or one may enroll as a dependent on the other's coverage.

A Refusal of Coverage form (C19927) is required in each instance:

1. If an eligible employee enrolls as a dependent spouse or domestic partner, he or she must complete the form to refuse coverage as an employee; and
2. If each eligible employee enrolls in their own coverage, each must complete the form to refuse dependent coverage as a spouse or domestic partner.

Any children of such persons may be enrolled as the dependents of either employee, but not both.

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

Contribution requirements for medical/specialty benefits:

- 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 employee rates.*
- The employer must agree to make the required premiums payments.

- There is no minimum contribution requirement for dependents.
- Payroll deduction is required if contributory.

* The 50% contribution rule applies to all dental plans and vision riders. Standalone vision plans require a minimum of 25% employer contribution. Voluntary vision plans do not require employer contribution.

New group eligibility/effective date

- The eligibility date for existing employees and dependents is the group's effective date, unless new hires have not yet satisfied their group's imposed waiting period. The effective date for these employees will be the first of the month following completion of the waiting period and submission of the small group employee application.
- Group effective dates other than the first of the month will be considered if requested to bridge coverage from the previous carrier.
- Once rates are quoted to the employer group, the employer has 30 days to accept coverage at the quoted rates. Once accepted, the employer can opt to change Blue Shield plan contracts to a different plan of benefits during the first 30 days after the group's effective date.
- However, once quoted rates are accepted by a group, the group cannot cancel coverage without being considered a cancelled or terminated group.
- Groups terminating coverage are not eligible to be considered for guaranteed coverage again within the next 12 months.
- The employer has the option, at the initial group enrollment only, to waive the waiting period for all new hires.
- Groups will not be guaranteed an effective date unless complete and correct group enrollment materials are received and approved by the underwriter.

Waiting period

- Groups may impose separate eligibility waiting periods of their own. This waiting period must be the same for each employee classification.
- The waiting period may be waived for all employees for the initial group enrollment.
- The employer has the option of choosing a first day of the month following the date of hire or a one-, two-, three-, four-, five-, or six-month waiting period for all future employees. The eligibility date for coverage for future employees is always the first day of the month following completion of the waiting period.

Additional underwriting guidelines

Don't miss out on an opportunity to gain new clients and expand your book of business. Be sure to check if any of your groups qualify under these revised underwriting requirements.

Start-up groups

For start-up groups, we modified our waiting period guidelines for determining a new small group. We now accept six weeks of consecutive payroll without the six weeks being specific to a fiscal quarter. A start-up group must meet all other small group requirements except for the length of time in business. For more information on these requirements, please refer to the Underwriting Guidelines.

Union/non-union carve out groups

For groups who have non-union members as well as union members who receive health coverage through a trust fund established by a collective bargaining agreement, we have special participation and other requirements to make coverage available to non-union employees. This coverage is available for small employers and for groups with 51 to 299 eligible employees. For more information, please refer to the Underwriting Guidelines or contact a Blue Shield representative.

Offering Shield Spectrum PPO Savings Plan 4800 with another carrier's HMO

Shield Spectrum PPO Savings Plan 4800,* which is an HSA-eligible HDHP, can now be paired with another carrier's HMO by using the same relaxed guidelines currently in play for Active Choice plans* (separate from the Suite Deal package).

When the Shield Spectrum PPO Savings Plan 4800 is offered as a standalone alongside another carrier's HMO plan, the minimum Blue Shield Life enrollment is five active employees or 20% of overall enrolled employees (whichever is greater).

If Blue Shield Life's Shield Spectrum PPO Savings Plan 4800 and Blue Shield of California's HMO plan are offered through the Dual Choice multiple plan package alongside another carrier's HMO plan, the minimum Blue Shield of California/Blue Shield Life enrollment is five active employees or 50% of overall enrolled employees (whichever is greater).

Please note that waivers are required for employees that are enrolling in another carrier's plan. For more information, please refer to the Underwriting Guidelines or contact your Blue Shield sales representative.

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

Contact us

As part of the Blue Shield family, you're backed by support that's here for you at every turn. Whether you need a quick application status or one-on-one assistance with a new marketing plan, our dedicated teams are standing by to help you be successful. Use this handy list of resources to get the assistance and answers you need – fast!

Producer Services

Producer Services
P.O. Box 2630
Lodi, CA 95241-9918
Phone: **(800) 559-5905**
Fax: (209) 367-6489
E-mail: producerservices@blueshieldca.com
Monday through Thursday, 8 a.m. to 6 p.m.
Friday 9 a.m. to 5 p.m.

Short on time and need answers fast?

Producer Services is your one-call resource for help with application processing, underwriting, billing, commissions, ordering materials, and more.

Call for:

- Your sales representative's name
- Product information
- Quotes
- Supplies
- New small group status
- Renewal status and questions
- Commission questions
- Underwriting guideline inquiries
- Open enrollment support

Group-related questions concerning:

- Membership reporting/processing
 - Enrollments
 - Terminations
 - Dependent additions or deletions
 - Verification of membership
- Copy of monthly bill
- Group paid-to-date information
- COBRA and conversion

Small group installation and membership

New group business

Small group Installation and Membership
P.O. Box 3008
Lodi, CA 95241
Fax: (209) 367-2864
Lodi II group: LGrpin01@blueshieldca.com

Renewal business

Small group Installation and Membership
P.O. Box 3008
Lodi, CA 95241
Fax: (209) 367-6603

Dental, life, and vision products

Dental HMO: (800) 585-8111

Dental PPO: (888) 702-4171

Monday through Friday, 5 a.m. to 8 p.m.

Vision Member Services: (877) 601-9083

Monday through Friday, 8 a.m. to 5 p.m.

Blue Shield Life Insurance: (888) 800-2742

Monday through Friday, 8 a.m. to 5 p.m.

Member and Customer Service Call Centers

For member questions concerning:

- Benefits
- Claims
- ID cards
- Available services
- Billing inquiries
- Grievances
- Locating physicians or preferred providers
- Support in other languages

HMO/POS: (800) 424-6521

Monday through Thursday, 8 a.m. to 5 p.m.
Friday 9 a.m. to 5 p.m.

PPO: (800) 200-3242

Monday through Thursday, 8 a.m. to 5 p.m.
Friday 9 a.m. to 5 p.m.

Blue Shield Life health plans: (888) 852-5345

Monday through Thursday, 8 a.m. to 5 p.m.
Friday 9 a.m. to 5 p.m.

Blue Shield sales offices to serve you

Northern California

Fresno

5250 N. Palm Ave., Suite 120
Fresno, CA 93704
Toll-free: **(800) 779-1906**
Phone: (559) 440-4000
Fax: (559) 436-0371

Sacramento

11249 Gold Country Blvd., Suite 160
Gold River, CA 95670
Toll-free: **(800) 304-2583**
Phone: (916) 851-3400
Fax: (916) 851-3450

San Francisco

50 Beale St.
San Francisco, CA 94105
Phone: **(415) 229-5272**
Fax: (415) 229-6230

San Jose

1735 Technology Drive
Building 4, Suite 100
San Jose, CA 95110
Toll-free: **(877) 455-6115**
Phone: (408) 452-6900
Fax: (408) 452-6910

Walnut Creek

2175 N. California Blvd., Suite 250
Walnut Creek, CA 94596
Toll-free: **(877) 685-2676**
Phone: (925) 927-7400
Fax: (925) 927-7410

Southern California

El Segundo

100 N. Sepulveda Blvd.
El Segundo, CA 90245
Toll-free: **(800) 499-3899**
Phone: (310) 744-2580
Fax: (310) 744-2680

Ontario

3401 CentreLake Plaza Drive, Suite 400
Ontario, CA 91761-1205
Toll-free: **(800) 628-6501**
Phone: (909) 974-5200
Fax: (909) 974-5220

Costa Mesa

555 Anton Blvd., 8th Floor
Costa Mesa, CA 92626
Toll-free: **(800) 965-7587**
Phone: (714) 428-4800
Fax: (714) 428-4955

San Diego

2275 Rio Bonito Way, Suite 250
San Diego, CA 92108
Toll-free: **(877) 847-8851**
Phone: (619) 686-4200
Fax: (619) 686-4250

Woodland Hills

6300 Canoga Ave.
Woodland Hills, CA 91367
Toll free: **(800) 804-7420**
Fax: (818) 228-5206

