

September 10, 2015

Dear Plan Administrator,

Effective January 1, 2016, the definition of a “small group” will change under the Affordable Care Act (ACA). After that date, to be eligible for small group coverage, you must have employed at least one employee during the previous calendar year and have at least one employee on the first day of the plan year.

***Please note:*** As you may know, in the past sole proprietors have been able to purchase health insurance in the “small group” market; however, as of January 1, 2016, a business that consists only of an owner, or the owner and his/her spouse, is no longer eligible for small group coverage.

We need your help to confirm that you are purchasing coverage in the correct market. You will receive a recertification packet within the next month. It is critical that you return the requested information by the date specified, so we can help you understand your options for 2016. That’s why we’ve enclosed an FAQ, which has further information about the new law.

To help you prepare, here are the documents we’ll be requesting:

- Most recent Schedule C, Schedule K1, or 1120S Schedule K for all owners of each business
- Most recent payroll report showing withholding or most recent State Quarterly Tax and Wage Report
- 1099s for any employee who fits the definition of an eligible employee, but does not appear on any document listed above
- A W-4 form for any new hire not appearing on the tax documentation (You must indicate their hire date on the form.)

If you have any questions, please do not hesitate to call your Broker or your Blue Cross Client Manager at (401) 459-2012. We’d be happy to help. And thank you for choosing Blue Cross for your health insurance needs.

Sincerely



George Tager  
Manager, Individual and Small Business Sales