


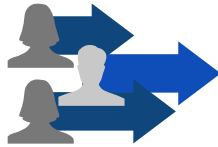
CALIFORNIA SMALL GROUP TRANSITION AT A GLANCE

For groups within the **51-100** range that will be transitioning from Large Group to Small Group, here is some important information about changes coming their way:

<p>What's happening:</p>	<p>The Affordable Care Act has changed the definition option for small groups and left it to the states to decide. CALIFORNIA transitioned to this 1/1/16 (we are one of 4 states that uses this definition, the other states kept small group at 1-50.</p>	
<p>What does this mean?</p>	<p>Groups with 51 -100 FTEs, formerly considered Large Group, now fall under Small Group and the accompanying guidelines and regulations.</p>	

RATING:

Groups may see a significant change in their rates at renewal. While in Large Group, premiums are a composite blend, where employees and dependents are averaged. Small Group is rated based on each family member's age and each child is rated separately.



3:1 RATE RATIO:

3:1 rate ratio restrictions now apply also, meaning that the highest premium rate for a group member cannot exceed three times the rate of that group's lowest premium rated member who is at least 21 years of age.



STANDARD RATES:

Filed rates are standard, and cannot be negotiated, so ultimately small employer's rates are employer ZIP Code driven.



California is divided into 19 geographic rating regions (mostly by county) for Small Group. Rates are filed quarterly, but when a group enrolls or renews, those rates and benefits are locked in for 12 months.



PLAN CHOICES:

Small Group plan designs differ from Large Group. Most carriers have a mapping strategy in place for transitioning groups to a comparable Small Group plan. Your client may not want to automatically do this, however, and a complete review of plan options may be warranted.



SMALL GROUP ACA PLANS:

These plans are grouped into four metal tiers (Platinum, Gold, Silver and Bronze). Platinum plans have the highest monthly premiums and lowest associated out-of-pocket costs, while Bronze plans are less expensive but offer a higher copay and coinsurance.



PRODUCT AND NETWORK:

Multiple networks mean more plan choices! Many carriers' products have modified network options that can potentially lower monthly premiums without compromising access to benefits.

