



# CareFirst Sales Flash

For Distribution to Brokers/General Producers/Full-Service Producers Only  
(Not intended for distribution to Groups and Members)



Date: March 29, 2017  
Market: Small and Mid-Market Groups

## Updates to Full Time Equivalent (FTE) Process and Form FTE Count Needed for Renewals

### Background

CareFirst BlueCross BlueShield and CareFirst BlueChoice, Inc. (CareFirst) must collect Full Time Equivalent (FTE) employee data so it can be used to determine the average number of all employees (not just the number of covered employees) who worked for a company during the calendar year that precedes their renewal.

Having this information on file will help ensure groups receive the appropriate plans and correlating rates at each renewal period. Additionally, it's important that groups are categorized correctly for purposes of Medical Loss Ratio calculations and potential future refunds.

### Updated FTE form and process

The new and improved FTE form is shorter and less cumbersome. Most importantly it is automated and you can sign it electronically. To find the form it will be:

- Posted to the CareFirst Broker portal on March 27, 2017 under *Plan Apps & Forms*. Once there, select your State and plan and you will find it under *Miscellaneous Forms*
- Posted on CareFirst Employer portal on March 27, 2017 under *Plan Info & Forms, Apps & Forms*. Once there, select your State and plan and you will find it under *Miscellaneous Forms*
- Included on Broker Express
- Attached to the June renewals

We may also ask our broker sales representatives to help collect FTE counts in time to release correct renewals for these groups.

**Please Note:** Questions about the new FTE form must be directed to the following sites in lieu of Sales or Broker & Account Services:

- **IRS:** <https://www.irs.gov/uac/small-business-health-care-tax-credit-questions-and-answers-determining-ftes-and-average-annual-wages>
- **Federal Register:** <https://www.federalregister.gov/documents/2014/02/12/2014-03082/shared-responsibility-for-employers-regarding-health-coverage>

We will continue to collect FTE data from employers as required by federal law.

Sincerely,

Shekar Subramaniam  
Vice President, Sales  
Small Medium SBU

Small Group FTE Form

CareFirst  
Family of health care plans

**Group Size Full-Time Equivalent (FTE) Submission Form**

**Instructions:** Submit this form using one of the following methods:

- **Groups:**
  - Return the completed form to your broker
  - Enter FTE data on the Employer Portal, along with an uploaded image of this form.
  - Mail this form directly to CareFirst BlueCross BlueShield or CareFirst BlueChoice, Inc. (CareFirst) at 443-753-2640 or email to [WFLSmallFTECount@CareFirst.com](mailto:WFLSmallFTECount@CareFirst.com)
- **Brokers:**
  - Return the completed form with your paperwork to CareFirst
  - Enter FTE data into Broker Express or the Broker Portal, along with an uploaded image of this form

**Calculating FTE Employees (General Instructions)**

- An employee is typically any person whose work is controlled and directed by the employer, including hours worked, projects assigned and the time spent on each project. Employees will generally receive a 90.2.
- Employees may work full-time, part-time or on a seasonal basis. Individuals do not have to qualify for medical coverage to be considered employees.
- There are special rules relating to whether to include persons who do not receive W-2s. Please reference the IRS guidelines linked below or discuss with your tax or legal advisor.
- **Use whole numbers only**—no decimals, fractions or ranges. Use the number of employees at the end of the month.
- Make sure to count all employees, including those at different locations or divisions. A **part-time** employee is one who works an average of 30 or more hours per week. A **part-time** employee is one who works less than 30 hours per week. A **seasonal worker** is one who performs labor or services on a seasonal basis as defined by the Secretary of Labor, including retail workers employed only during the holiday season.
  - For each month during the calendar year (2016 or 2017) count all full-time employees.
  - For each month during the calendar year (2016 or 2017) count all hours worked by part-time employees and divide by 130.
  - Add the number from line (1) to the number from line (2) and divide by 12.
  - Enter that figure below as your Group's 2016 or 2017 FTEs and complete the rest of the signature block.**

**Important:** A group or business owner must sign this document to return properly. [Click to view details.](#)

Print Name and Title: \_\_\_\_\_ Date: \_\_\_\_\_  
 (Print a date, a business representative and confirm a warranty that the information entered here is true, correct and complete to the best of your knowledge and belief.)

Group Name: \_\_\_\_\_ Group Number: \_\_\_\_\_ Total FTEs: \_\_\_\_\_  
 Group's FTEs for calendar year (update check and)  2016  2017

You must ensure submitted data is in full compliance with all applicable federal rules and regulations. You may wish to check your tax or legal advisor. Websites you may find useful include:

**IRS:** <https://www.irs.gov/uac/small-business-health-care-tax-credit-questions-and-answers-determining-ftes-and-average-annual-wages>  
**Federal Register:** <https://www.federalregister.gov/documents/2014/02/12/2014-03082/shared-responsibility-for-employers-regarding-health-coverage>

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