

## Group Size Full-Time Equivalent (FTE) Employee Calculation (Required for all risk/fully insured medical business)

The collection of group size data by carriers – such as CareFirst BlueCross BlueShield or CareFirst BlueChoice, Inc. (CareFirst) – is necessary in order to meet various federal requirements. This information must be received no later than \_\_\_\_\_.

**Failure to timely and accurately provide this material information may result in termination of your coverage.**

Federal guidance (IRS Notice 2012-58) on group size calculation is available here: [Determining FTE Health Coverage](#)

Please review the information below, the link provided above, as well as the attached worksheet and example.

Brokers: This information can be entered directly into Broker Express by you or by the person who updates Broker Express for you, or you may return the completed form to your CareFirst Broker Sales Representative. **It is important to provide FTE data as early as possible during the quoting or renewal process.**

Groups: You should complete this form and give it to your broker for processing. If you do not work with a broker, call the CareFirst Sales Support line at 1-888-423-2757, option 3, for assistance.

### General information

To provide the group size calculation, calculate the average number of all employees (not just the number of covered lives) who worked for your company in the prior calendar year by completing the worksheet below. If the company was not in business during the prior calendar year, calculate the data based on estimates for the current calendar year.

In order to ease the burden of the calculation for larger-sized groups, the following rules apply:

- Groups of 1 – 199 **employee enrollees**: The calculation rules described in this document must be followed to calculate average number of employees.
- Groups of 200+ **employee enrollees**: The number of employees can be an estimate provided by the group based on the most recent statistics. For example, if a group has 5,000 enrollees, but their employee count is around 8,500, the number submitted to CareFirst should be 8,500.

### Please note:

- **Data is not required for groups that only offer specialty products and do not offer comprehensive medical coverage.**

### Counting procedures

Include the following types of employees in the calculation, even though they are not all specifically listed in the worksheet.

- The total number of employees includes:
  - The total number of employees in an organizational structure (include all employees in the parent, subsidiary, and sibling organizations) rather than just the number of employees in the particular subsidiary being reported.
  - All employees of the company – even if a W-2 or 1099 was not issued – regardless of whether they have coverage with CareFirst, coverage with another company, or no coverage at all.
  - If the group's covered employees only include partners and spouses, do not count them.

**Do Not Include:**

Veterans who have coverage under programs for members and certain former members of the armed forces and the Commissioned Core include:

- National Oceanic and Atmospheric Administration
- Public health services including TRICARE or health programs administered by the U.S. Department of Veterans Affairs
- Certain overseas employees or those who performed overseas hours. For more information, please visit the IRS website

**Independent contractors, such as subcontractors, are excluded and should not be counted as employees.**

**Reporting timeframes**

The group size FTE calculation counts the average number of full-time equivalent employees that worked for the group during the prior calendar year. Included in this calculation are all full-time employees who worked throughout the year plus employees who worked either as a part-time worker, seasonal worker, or full-time worker who was not employed the full year because they were either hired after January 1st or left during the year.

New or renewing groups effective or renewing in January, February or March would calculate their group size based on the average number of employees in the current calendar year. For example, a group that renews on January 1, 2017 will base their calculation on the average number of employees in 2016.

The examples provided below represent how group size data is to be collected and reported. These same guidelines may be applied to future years by changing the year of the renewal date and the group size calculation year.

Where plan was purchased	Next renewal date or initial effective date is in 2016	Worksheet & Examples
<b>DC / MD / VA</b>	Use data from January 1, 2015 to December 31, 2015  <b><i>If your 2016 renewal effective date takes place in the first quarter, you can estimate your 2015 FTE and provide it during December 2015 for use in the renewal.</i></b>	<b>Worksheet</b>  Example
	<b>Next renewal date or initial effective date is in 2017</b>	
	Use data from January 1, 2016 to December 31, 2016  <b><i>If your 2017 renewal effective date takes place in the first quarter, you can estimate your 2016 FTE and provide it between August and December 2016 for use in the renewal.</i></b>	

## Group Size FTE Calculation Worksheet for all groups renewing in 2016

Groups renewing or enrolling at any point in 2016 must use information from between January 1, 2015 to December 31, 2015 for the purpose of full-time equivalent (FTE) calculation. Employers performing the calculations to determine 2015 FTEs prior to actual year-end may estimate the number of anticipated full-time employees employed during the entire year and the anticipated part-time hours for the remainder of the year. Consult with your accountant and/or legal counsel for concerns about estimating.

### Identifying Full-Time Employees

**Step 1:** Enter the number of full-time employees for each month.

**Step 2:** Enter the number of part-time employees. (Part-time employees work less than 130 hours per month.) To determine FTEs, add the total hours for all part-time employees and divide by 120, as described in federal guidance. For the purpose of this calculation part-time employee hours must be capped at 130 per month.

**Step 3:** Enter the number of seasonal employees for each month.

**Step 4:** Add the number of full-time employees, part-time employees and seasonal employees from Steps 1, 2, and 3 for each of the 12 months.

**Step 5:** Add up the 12 monthly numbers in Step 4.

**Step 6:** Divide the value from Step 5 by 12 months to determine the employer's FTE value. For employers in business for only part of the calendar year, divide by the number of months in business instead of 12.

**Step 7:** Round down to the nearest whole number

**Step 8:** If the number in step 7 exceeds your state's ACA Small Group Size limit then remove the seasonal employees from the calculation and recalculate from Step 4, excluding seasonal employees from the totals and averages. Round down the final result.

Otherwise enter the number from Step 7 into Step 8.

**Step 9:** Complete the entire signature block at the top of the form. Enter the number from Step 8 at the top of the form in the "Group Size According to FTE Calculation" area. Give the form to your broker.

If you do not work with a broker, call the CareFirst Sales Support line at 1-888-423-2757, option 3, for assistance.

*This worksheet may be used to aid in calculating group size according to 45 C.F.R. § 155.20*

### Example for all groups renewing in 2016

The example below is a firm with substantial seasonal staff. The firm employed 47 full-time employees throughout the year and three part-time employees who worked 100 hours per month from January to May. From September through December, the firm employed 10 seasonal staff working full-time.

**Step 1:** For January to December, the group enters 47 full-time employees.

**Step 2:** There are three part-time employees who worked 100 hours per month from January to May; however the FTEs are only two, because of how they are calculated. When you add up their hours (100+100+100 = 300) then divide the total (300) by 120 your total is 2.5. However, since fractions should not be included, you should round down to two and enter this number (2) in the part-time FTE column below for each month they worked.

**Step 3:** Group enters the number of seasonal employees: 10 from September to December

**Step 4:** Group adds Step 1, Step 2 and Step 3 values for each month.

**Step 5:** Group adds Step 4 values for all months which equals 614.

**Step 6:** Group divides 614 by 12 which equals 51.2

**Step 7:** Since we round down to the nearest whole number, the value is 51.

**Step 8:** However, the number in step 7 exceeds the state's ACA Small Group Size limit. The Group next removed seasonal employees from the calculation and recalculated from Step 4. In this example, the 10 seasonal employees are excluded from the totals for September through December. The new totals for each of those four months are 47 instead of 57. The new Step 5 total is 574. The new result of dividing 574 by 12 is 47.8. The Group rounded this figure down to 47 and entered that in Step 8 and also on the form in the "Group Size According to FTE Calculation" area.

**Complete the entire signature block at the top of the form and give it to your broker. If you do not work with a broker, call the CareFirst Sales Support line at 1-888-423-2757, option 3, for assistance.**

	Step 1 Full-time Employees		Step 2 Part-time Employees		Step 3 Seasonal Employees*		Step 4 Total Employees
January	47	+	2	+		=	49
February	47	+	2	+		=	49
March	47	+	2	+		=	49
April	47	+	2	+		=	49
May	47	+	2	+		=	49
June	47	+		+		=	47
July	47	+		+		=	47
August	47	+		+		=	47
September	47	+		+	10	=	57
October	47	+		+	10	=	57
November	47	+		+	10	=	57
December	47	+		+	10	=	57
					<b>Step 5</b>		614
							÷ 12
					<b>Step 6</b>		51.2
					<b>Step 7</b>		51
					<b>Step 8</b>		47 (47.8)

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## Group Size Submission Form

Please show your calculation in the form below and complete the entire signature block at the top of this form. This information must be received no later than \_\_\_\_\_.

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Groups: You should complete this form and give it to your broker for processing. If you do not work with a broker, call the CareFirst Sales Support line at 1-888-423-2757, option 3, for assistance.

<b>Group Name:</b>	<b>Group Number:</b>
<b>Group (or Broker) Signature:</b>	<b>Date:</b>
<b>Group (or Broker) Name:</b>	
<b>Group Size According to FTE Calculation:</b>	

	Step 1 Full-time Employees		Step 2 Part-time Employees		Step 3 Seasonal Employees		Step 4 Total Employees
January		+		+		=	
February		+		+		=	
March		+		+		=	
April		+		+		=	
May		+		+		=	
June		+		+		=	
July		+		+		=	
August		+		+		=	
September		+		+		=	
October		+		+		=	
November		+		+		=	
December		+		+		=	
					<b>Step 5</b>		
							÷ 12
					<b>Step 6</b>		
					<b>Step 7</b>		
					<b>Step 8</b>		