



**Blue Cross Blue Shield of Michigan
Blue Care Network of Michigan**

**Illustrative Rates
for
Southgate Community Schools**

Effective January 1, 2019 through December 31, 2019



Southgate Community Schools
Effective January 1, 2019 through December 31, 2019

Blue Care Network of Michigan

HMO Medical & Prescription Drugs Premium Rates

Plan: Benefit Description: <i>See Benefits at a Glance for full benefit description</i>	HMO Plan 1 Without PCP Focus HDHP HMO LG - , \$1,350 Ded, , \$2,350 OOPM, , , , , VACR 50%Rx - \$4/\$15/\$40/\$80/20% (max \$200)/20% (max \$300) (HDHP Only), with Contraceptives, subject to Out of Pocket Max, Mail Order 3X copay, \$1,350 Ded, \$2,350 OOPM.				HMO Plan 2 Without PCP Focus HDHP HMO LG - , \$2,000 Ded, , \$3,000 OOPM, , , , , VACR 50%\$2,000 Ded, Rx - \$6/\$25/\$50/\$80/20% (max \$200)/20% (max \$300) (HDHP Only), with Contraceptives, subject to Out of Pocket Max, Mail Order 3X copay, \$3,000 OOPM.			
	Medical	Rx	* Taxes & Fees	Premium Rates PCPM	Medical	Rx	* Taxes & Fees	Premium Rates PCPM
One Person	\$398.11	\$58.07	\$2.87	\$459.05	\$363.60	\$51.20	\$2.61	\$417.41
Two Person	\$955.47	\$139.37	\$6.90	\$1,101.73	\$872.64	\$122.87	\$6.27	\$1,001.78
Family	\$1,194.33	\$174.21	\$8.62	\$1,377.16	\$1,090.80	\$153.59	\$7.84	\$1,252.23

Proposed rates do not include any fees associated with pharmacy benefit management carve out, nor do they include fees for additional wellness buy-up programs. If pharmacy benefits are carved out, a fee of \$5 per contract per month will be applied to the monthly invoice.

Blue Cross Blue Shield of Michigan

PPO Medical & Prescription Drugs Premium Rates

Plan: Benefit Description: <i>See Benefits at a Glance for full benefit description</i>	PPO Plan 1 Simply Blue SB HSA Base Plan 0% - In Network \$1,350 Ded/0%, \$2,250 OOPM, Out Network \$2,700 Ded/20%, \$4,500 OOPM, EA 1-LG, SB HSA w/Rx LG Group Benefit Cert / PD-TTC \$15/\$30/\$60 RXCM LG,				PPO Plan 2 Simply Blue SB HSA \$2,000 / 0% - In Network \$2,000 Ded/0%, \$3,000 OOPM, Out Network \$4,000 Ded/20%, \$6,000 OOPM, EA 1-LG, SB HSA w/Rx LG Group Benefit Cert / PD-TTC \$15/\$30/\$60 RXCM LG,			
	Medical	Rx	* Taxes & Fees	Premium Rates PCPM	Medical	Rx	* Taxes & Fees	Premium Rates PCPM
One Person	\$436.35	\$88.24	\$8.03	\$532.62	\$397.24	\$79.77	\$7.30	\$484.30
Two Person	\$1,047.24	\$211.79	\$19.26	\$1,278.29	\$953.37	\$191.44	\$17.52	\$1,162.33
Family	\$1,309.05	\$264.73	\$24.08	\$1,597.86	\$1,191.71	\$239.30	\$21.89	\$1,452.91
Complimentary	\$362.96	\$612.12	\$14.92	\$990.00	\$362.96	\$612.12	\$14.92	\$990.00

Proposed rates do not include any fees associated with pharmacy benefit management carve out, nor do they include fees for additional wellness buy-up programs. If pharmacy benefits are carved out, a fee of \$5 per contract per month will be applied to the monthly invoice.

Proposal assumptions and disclaimers are listed on the following page.

This quote is for financial purposes only.

BCBS ERS Relative Rate Levels:	Cross	Shield	Rx
	3.8238	3.5278	19.5620
BCN ERS Relative Rate Levels:	Medical	Rx	
	3.4521	18.2043	

Proposal assumptions and disclaimers are listed on the following page.

Proposal Assumptions/Disclaimers:

SIC Code	8211
Average Age (Med/Rx)	46
PPO Medical/Rx Agent Fee	Standard
HMO Medical/Rx Agent Fee	Standard

	Med/Rx Contracts
Single	53
Two Person	41
Family	141
Comp	0
Opt Out's	0
Michigan	226
Non-Michigan	9

****BCN RATES ARE SUBJECT TO CHANGE BASED ON DEPT. OF INSURANCE & FINANCIAL SERVICES APPROVAL****

These figures do not include certain federal taxes and fees established by the Affordable Care Act as well as certain State taxes and assessments. The figures are estimates and may change for future billings.

To comply with new requirements in the Patient Protection and Affordable Care Act (PPACA) (also referred to as health care reform) groups may be required to make changes to their health insurance coverage. If necessary, this may result in an adjustment to the rates. To learn more about the PPACA, please visit our webpage, www.bcbsm.com/healthcarereform/. You should also consult with your legal counsel for any legal advice on how you may comply with the law and regulations and the applicability to your plan.

BCN of Michigan rates are guaranteed for the period stated above; however, BCN reserves the right to adjust rates if any of the assumptions or calculations used to calculate the rates are incorrect. Please remember that BCN is a prepaid health plan and payment is due on or before the date noted on your billing statement. If you have questions or wish to discuss other BCN benefit plans, please contact your BCBSM Regional Sales Office or Agent. We at BCN appreciate your business and look forward to providing you continuing health benefit needs.

The figures shown are subject to change dependent upon changes in statutes or regulations, and the premium shown includes estimates for certain federal and state taxes and fees imposed on Blue Cross and BCN under applicable federal and state laws. Blue Cross and BCN will not reconcile or settle any amounts collected with the actual amounts owed for taxes and fees.

Taxes & Fees Assumptions

- Group should consult its own legal counsel regarding responsibility for any taxes and/or fees imposed by the Affordable Care Act or other federal laws.
- Please note when comparing Blue Cross to BCN, some taxes and fees will differ in accordance with applicable federal and state tax rules.

As required by US Treasury Regulations, we also inform you that any tax information contained in this communication is not intended to be used and cannot be used by any taxpayer to avoid penalties under the Internal Revenue Code.

Employee Eligibility Assumptions

We are quoting this group with the understanding that the group is subject to the employer mandate. This quote assumes group's employees are full-time employees working 30 hours a week as defined by employer mandate provision – IRC section 4980H and additionally the employees meet the common law definition as listed below.

Common Law Employee:

Determining who is an employee is based on "common law" principles:

An employee is an individual who performs services which are subject to the will and control of an employer, both as to what shall be done and to how it shall be done. Specific employment requirements include the following:

- *The employer has the right to control both the method and result of the services performed.*
- *The employee is subject to discharge at the employer's discretion*

Proposal Qualifiers:

- 1.) BCBSM reserves the right to request and review your most recent financial statements to determine your ability to meet BCBSM monthly invoices.
- 2.) The rates above may differ from final sold rates due to rounding differences. Once a commitment to purchase BCBSM is made, final sold rates may be provided upon request.
- 3.) BCBSM reserves the right to requote if enrollment or membership mix changes by greater than ten percent variance from the proposal assumptions. A final proposal may be completed once actual enrollment and benefit selections are known.
- 4.) The rates above are based on an expected enrollment of 235 contracts.
- 5.) The illustrative rates represent ERS - Formula III fully insured arrangement at \$100,000 specific stop-loss attachment point. They may be used for illustrative purposes for a self-funded program.
- 6.) Complementary rates assume a Medicare 2+1 option for all medical benefit offerings.
- 7.) Rates above are valid for Total Replacement (100% Blue enrollment.) These rates are not valid if coexisting with an outside carrier.
- 8.) Deductibles, coinsurance, and copayments under the any of the following applicable healthcare programs cannot be reimbursed by any third party administrator, employer funded Flexible Spending Account or any other employer funded reimbursement arrangement. Only employee-funded Flexible Spending Accounts are allowed with these plans.
 - Simply Blue
 - Simply Blue HSA (*may be paired with an HSA only*)
 - Healthy Blue Outcomes
 - Blue Core PlusSM
 - Community Blue Plan 19
 - Community Blue Plan 20
 - Any prescription drug coverage, except Flexible Blue integrated plans (*valid groups under 100 contracts only*)
- 9.) BCBSM is reviewing and updating Pharmacy rebate processes, fees, etc.