



2023 – 2024

BONUS PROGRAM

Large Group

Growing together

Put more money in your pocket by retaining and growing your business with the Blue Cross and Blue Shield of Minnesota large group bonus program.

YOUR OPPORTUNITY

In addition to the standard service fees described in your Blue Cross Agreement, top performers can earn additional bonus compensation for new sales and retention of current large group (51+) fully insured or ASO health business. A bonus opportunity is also available for new ancillary business. The program includes Blue Cross and Blue Shield of Minnesota and Blue Plus (Blue Cross) health and ancillary business only.

HOW IT WORKS

Bonus program eligibility is based on book of business performance from February 1, 2023, through January 31, 2024. Your large group book of business will be assessed on January 31, 2023, and compared to your large group book of business one year later. Each health product category earns a specific bonus rate paid out on a per-contract basis and applied to the first 1,500 contracts for each group. Any contracts over 1,500 count toward bonus opportunity qualification but do not earn bonus dollars.



HEALTH RETENTION BONUS

Qualification for a **retention bonus** is determined by retention within your **current** book of business over the course of the year. The total percentage of retention by funding (fully insured or ASO) will determine your retention tier and its corresponding modifier for the final bonus payment. The rate associated with each product type is multiplied by the modifier to determine the retention bonus payment.

Retention Tier	Modifier
<90%	0%
<95% to 90%	70%
<98% to 95%	90%
<100% to 98%	100%
<105% to 100%	110%
<110% to 105%	120%
110%+	130%

RENEWAL RATES (PER CONTRACT)				
Agency Status	Fully Insured	ASO	ASO plus Rx OR stop-loss	ASO plus Rx AND stop-loss
Blue Partner	\$32.00	\$13.00	\$18.00	\$26.00
Standard	\$16.00	\$7.00	\$10.00	\$14.00

HEALTH NEW SALES BONUS

Qualification for a **new sales bonus** will be determined by the total number of **new Blue Cross** groups sold during the program year. The total number of contracts and the type of product(s) sold will determine the per-contract rate for the final bonus payment. Only groups newly enrolled in a Blue Cross product qualify as a new sale; current Blue Cross groups renewing into a different product do not qualify as new sales.

Agency Status	TIERS*		NEW SALES RATES (PER CONTRACT)			
	Minimum	Maximum	Fully Insured	ASO Only	ASO + Rx OR stop-loss	ASO + Rx AND stop-loss
Blue Partner	50	199	\$30.00	\$13.00	\$19.00	\$26.00
Blue Partner	200	499	\$34.00	\$15.00	\$22.00	\$30.00
Blue Partner	500	999	\$38.00	\$17.00	\$25.00	\$34.00
Blue Partner	1,000	1,999	\$42.00	\$19.00	\$28.00	\$38.00
Blue Partner	2,000	+	\$46.00	\$21.00	\$31.00	\$42.00
Standard	50	199	\$24.00	\$10.00	\$15.00	\$20.00
Standard	200	499	\$27.00	\$12.00	\$17.00	\$24.00
Standard	500	999	\$30.00	\$13.50	\$20.00	\$27.00
Standard	1,000	1,999	\$33.00	\$15.00	\$22.00	\$30.00
Standard	2,000	+	\$36.00	\$16.50	\$24.00	\$33.00

*Tiers based on total number of new contracts; a minimum of 50 new contracts is required to qualify for a new sales bonus.

ANCILLARY BONUS OPPORTUNITY

You can earn a bonus for new dental and vision groups sold during the program year. The ancillary bonus opportunity is not dependent on qualifying for the health new sales bonus. The minimum contract requirement for an ancillary bonus is 50 contracts for dental and 50 contracts for vision to qualify for either. Only the first 1,500 contracts of a group are eligible for a bonus payment.

New dental rate (per contract)	New vision rate (per contract)
\$12.00	\$6.00

EXAMPLE

ABC Agency is a Blue Partner with a total of 5,000 large group health contracts on January 31, 2023. At the end of the following year (January 31, 2024), they have a total of 5,250 health contracts within their renewed groups. ABC Agency also had two new health sales totaling 500 contracts and they enrolled 150 new dental contracts and 75 new vision contracts.

As shown below, this agency would receive a **total bonus payment of \$90,250** (\$70,200 retention bonus + \$17,800 news sales bonus + \$2,250 ancillary bonus).

- Their **retention bonus modifier is 120%** based upon their 105% retention tier (5,250 ending contracts/5,000 starting contracts = 105% retention)
- Their **new sales bonus opportunity tier is 500 – 999** based on the addition of 500 contracts from new health sales
- Their ancillary bonus opportunity is based on the total number of new-to-Blue dental and vision contracts enrolled
- The per-contract bonus rate for each product type is applied to determine the total bonus payment

HEALTH RETENTION BONUS CALCULATION

Renewed Health Groups	Product Type	# of Contracts	Blue Partner Rate	Rate with Modifier (120%)	Contracts x Modified Rate = Bonus
Group 1	ASO only	3,500	\$13.00	\$15.60	1,500 x \$15.60 = \$23,400 (capped at 1,500 contracts)
Group 2	ASO plus Rx and stop-loss	1,500	\$26.00	\$31.20	1,500 x \$31.20 = \$46,800
					Total retention bonus: \$70,200

HEALTH NEW SALES BONUS CALCULATION

New Health Groups	Product Type	# of Contracts	Blue Partner Rate (500 – 999 tier)	Contracts x Modified Rate = Bonus
Group 1	Fully insured	200	\$38.00	200 x \$38.00 = \$7,600
Group 2	ASO plus Rx and stop-loss	300	\$34.00	300 x \$34.00 = \$10,200
				Total new sales bonus: \$17,800

ANCILLARY BONUS CALCULATION

Product type	# of contracts	Bonus rate (per contract)	Contracts x rate = bonus
Dental	150	\$12.00	150 x \$12.00 = \$1,800
Vision	75	\$6.00	75 x \$6.00 = \$450
			Total ancillary bonus: \$2,250



HAVE QUESTIONS?

Contact your Blue Cross sales representative.

Program details

PROGRAM ELIGIBILITY

- Bonus program eligibility is based on book of business performance between February 1, 2023, and January 31, 2024, with ending book of business as of January 31, 2023, as the baseline for measuring retention and new sales during the program cycle
- A minimum of 500 health contracts is required during the retention bonus cycle to be eligible for payment. All contract counts used for payment are those active as of the end of the bonus cycle. *Note: One contract equates to one enrolled employee.*
- All Group Medicare contracts and groups that are part of an Association Health Plan (AHP) with fewer than 51 eligible contracts are excluded from this program.
- The program rewards agencies and independent agents for business assigned to them through their current agency appointment. In the event of a buy/sell or transfer of business, any business remaining with a previous agency or agent will be included with that agency's or agent's book of business.
- Agencies and independent agents must be active selling agents in good standing at the time of payment to receive bonus compensation
- For **agencies**, the combined performance of your employee agents will determine your bonus opportunity. Bonus payments are made to the agency.
- For **independent agents**, your individual performance will determine your bonus opportunity. Bonus payments are made directly to you.
- E-brokers are not eligible
- Inclusion of an agency or agent in this program is at the sole discretion of Blue Cross and Blue Shield of Minnesota. Agents or agencies may be removed from the program at any time and for any reason.
- Agencies or agents that choose to opt out of the program must notify Blue Cross in writing prior to the end of the bonus year
- Agencies or agents that choose to opt in to the program midyear are eligible for a prorated payment based on the number of complete months of participation. The bonus will still be measured on the performance during the full bonus cycle. For example, opting in to the program in late October means the agency would receive 25 percent of their total bonus.
- Blue Cross uses a bonus-specific database to determine bonus program awards. In the event of an error, any retroactive payment adjustment will be limited to four months after the date of payment following the end of the bonus cycle.
- Earned bonuses are paid on an annual basis following the completion of the bonus cycle
- All Blue Cross bonus determinations are final

- Bonus structure is subject to change in accordance with applicable law
- Blue Cross reserves the right to change this incentive bonus program at any time

BONUS CALCULATION

- Natural fluctuations of contracts within groups, whether additions or subtractions, are included in the retention calculation
- Expansions within groups count as growth and pay under the retention bonus
- All eligible contracts are used to determine bonus qualification; however, only the first 1,500 health contracts of a group are eligible for bonus payment
- Groups that are acquired and terminate, or who go out of business, are calculated as disbands
- Groups of 500 or more contracts that are lost due to movement to a Corporate Health Plan will not be calculated as disbands if broker provides the following: effective date of membership change; carrier name of the Corporate Health Plan; and name of Corporate Health Plan broker along with confirmation that the impacted broker no longer works with the client
- Agent of Record (AOR) changes during the program year will be applied retroactively to the beginning of the bonus cycle. The assigned agency or independent agent at the end of the bonus cycle will have the group added into their base count. The assigned agency or agent at the beginning of the bonus cycle will have the group removed from their base count.
- If a book of business is sold by one agency or agent to another, it will be treated as an AOR change. In the event of a merger or acquisition, the two entities will be treated as one agency retroactive to the start of the bonus cycle.

GROUP AUTHORIZATION REQUIREMENTS

- Groups with consultant relationships that do not pay ongoing service fees to agencies or agents will not be calculated in an agency's or agent's book of business
- If an agency or independent agent has a direct compensation arrangement with a group that does not involve Blue Cross, the group must complete an authorization form to allow the agency or agent to be eligible for the bonus program. This form must be completed and submitted annually to Blue Cross; Blue Cross has final discretion in approving bonus program eligibility.
- Authorization forms must be submitted to Blue Cross prior to October 1, 2023. New sales effective during the last three months of the program cycle must have an authorization form submitted prior to February 1, 2024. Contact your Blue Cross sales representative to request an authorization form.

Better together

