

# Product Portfolio and Benefit Design Updates, Effective October 1, 2009



MASSACHUSETTS

At Blue Cross Blue Shield of Massachusetts, we believe the most promising way to slow rising health care costs is to improve the quality, safety, and effectiveness of the health care our members receive. It's an approach we've summarized in a simple equation: Quality = Affordability. We believe that better care will lead to more affordable care, and we are working on a new product and a number of enhancements designed to reach that solution. We view this work as essential to fulfilling the promise we've made to our members: to always put their health first.

## Plan Design Changes\*

Offering a wide range of coverage options at an affordable price is a top priority. To achieve this goal, we've made the following changes to our standard plan designs for groups and individuals. Please see the Standard Plan Design Changes chart for a complete listing of all standard plan changes.

### 1. Emergency Room Copayment Change

To address the misuse of emergency departments, which has a negative effect on both the quality and cost of health care, beginning October 1, 2009 for new sales and upon renewal, we will be increasing emergency room copayments in many of our standard plan designs. The copayment amounts for emergency room services will be increased to \$100, \$150, or \$200, depending on the premium level and typical out-of-pocket costs of the plan.

### 2. High-Tech Radiology Benefits Change

Changes are being made to our plan designs that apply a copayment for certain outpatient radiology diagnostic tests (MRI, CT, and PET scans). Effective October 1, 2009 for new sales and on anniversary for renewing customers, the high-tech radiology copayment will be waived when the service is rendered in association with an emergency room visit or surgical day procedure.

In addition, we will be applying the outpatient radiology diagnostic test copayment to a fourth category of test, nuclear cardiac imaging. These changes are being made to bring the administration of these plans in line with marketplace standards.

### 3. Plans Changing to Plan-Year Accumulation for Deductible and Out-of-Pocket Maximums

In order to provide employer groups with more flexibility in adopting lower cost plans, effective October 1, 2009 for new sales and upon anniversary for renewing customers, the following plan designs will change from a calendar-year deductible and out-of-pocket maximum accumulation to a plan-year deductible and out-of-pocket maximum accumulation. Employer groups currently enrolled in the calendar-year deductible version of these plans may continue to renew their coverage as is or transition to a plan-year deductible and out-of-pocket maximum design. The plans that are changing are:

- HMO Blue<sup>®</sup> Premier Value
- HMO Blue New England<sup>SM</sup> Premier Value
- Network Blue<sup>®</sup> Premier Value
- Network Blue New England Premier Value
- Access Blue Basic<sup>SM</sup>

#### 4. State Mental Health Parity

Mental health conditions are classified as either biologically based conditions or non-biologically based conditions under Blue Cross Blue Shield of Massachusetts products. Effective July 1, 2009, four categories of non-biologically based conditions are being reclassified as biologically based conditions. These categories are substance abuse, eating disorders, post-traumatic stress disorder (PTSD), and autism.

Effective July 1, 2009, the benefits that are provided for these four conditions will be the same as benefits provided for biologically based conditions. For example, under an insured plan, a benefit limit such as the 24 outpatient visit limit would no longer apply for substance abuse, eating disorders, PTSD, or autism.

For administrative service contract (ASC) plans, the benefits that an account provides for biologically based conditions will now apply to these four conditions. For example, if there is no benefit limit on clinical depression, there will be no benefit limit on substance abuse, eating disorders, PTSD, or autism. Or, if an ASC account has an overall benefit limit for all mental conditions, regardless of biological classification, the benefit limit would still apply.

#### 5. Federal Mental Health Parity

The federal Emergency Economic Stabilization Act of 2008 (Mental Health Parity Act) was passed in October 2008. The Act requires that group health plans and group health insurers that provide physical and mental health/substance use disorder benefits ensure that the financial requirements and treatment limitations that apply to mental health and substance use disorder benefits are no more restrictive than the financial requirements and treatment limitations on physical benefits. In general, this law applies to accounts with more than 50 employees, regardless of financial arrangement.

Coverage of these mental health benefits will apply to insured and ASC group health plans, except group accounts with 50 or fewer employees, dental and vision plans, non-group plans, and student health plans offered by schools. These changes will become effective on October 1, 2009 for new sales and upon account renewal for affected employer groups.

#### 6. Options Re-Tiering

Our family of tiered-network products provides employees with information about quality and cost, and financial incentives for choosing Enhanced Benefits Tier (lower cost, high quality) providers. These plans include: HMO Blue New England Options, HMO Blue Options,<sup>SM</sup> Network Blue New England Options,<sup>SM</sup> Network Blue Options, Blue Precision,<sup>®</sup> Preferred Blue PPO<sup>SM</sup> Options, and PPO Blue Options.<sup>SM</sup>

We will be updating the hospital tiers in a manner that is consistent with well-accepted principles for performance measurement, including those articulated by local and national physician leaders and measurement experts. The updated tiered-network health plans will be available to employers, including municipalities, starting in October 2009. Hospital cost and quality data will become available to members in all of our products so they can consider the cost and quality of the hospital in selecting their provider for care.

## 7. Benefit Change for Home Births in Massachusetts

Blue Cross Blue Shield of Massachusetts is updating the benefits for members to include a clarification on home births taking place in Massachusetts on or after October 1, 2009. Coverage will only be provided when the delivery in the home is an emergency or unplanned birth rendered by a network provider.

Unplanned births are those in which circumstances prevent the mother from delivering at a hospital or birthing center. To seek care in such a situation, the mother should contact 911 if appropriate, and/or her maternity health care network provider.

## 8. Administration of Infertility Benefits

As of October 1, 2009 for new sales and upon renewal for existing accounts, we are updating the administration of infertility benefits. In addition to providing coverage to diagnose and treat infertility for healthy members who have not been able to conceive or produce conception during a period of one year, Blue Cross Blue Shield of Massachusetts may approve coverage for infertility services in two other situations. First, when a member has been diagnosed with cancer and is expected to become infertile after treatment. Second, coverage may be approved when a healthy member is age 35 or older and has not been able to conceive or produce conception during a period of six months. Prior-authorization requirements are in effect and remain the same for these services.

Please note that additional information regarding the administration of infertility benefits is available in Blue Cross Blue Shield of Massachusetts' medical policy.

## New Plan Design\*

In order to maintain a product portfolio that continues to provide new, cost-effective options to meet the various health coverage needs of individuals and employer groups in Massachusetts, the new plan below will be available to individuals and groups, effective October 1, 2009.

- **Blue Care Elect<sup>SM</sup> \$4,500**

This affordable PPO plan offers comprehensive coverage while providing significant cost savings through a \$4,500 medical deductible. Most components of this plan pass Massachusetts minimum creditable coverage (MCC) standards with the exception of the deductible amount. This plan may be deemed to pass MCC standards if an employer self-funds a sufficient portion of the deductible via a Health Reimbursement Arrangement (HRA) so that the member's maximum deductible liability meets MCC standards.

### Blue Care Elect \$4,500

	In-Network	Out-of-Network
Network	PPO	
Deductible Period	Plan year	
Deductible Amount	\$4,500 individual \$9,000 family	
Out-of-Pocket Maximum (includes deductible, co-insurance, and copays > \$100)	\$5,000 individual \$10,000 family	
Emergency Room	Deductible, then \$150 copay	Deductible, then \$150 copay
Inpatient Care	Deductible, then covered in full	Deductible, then 20% co-insurance
Outpatient Day Surgery	Deductible, then covered in full	Deductible, then 20% co-insurance
Routine Care Office Visit	\$25 copay (no deductible)	Deductible, then \$45 copay
Non-Routine Care Office Visit	Deductible, then \$25 copay	Deductible, then \$45 copay
Diagnostic Labs and X-rays (includes CT, MRI, PET, and nuclear cardiology imaging)	Deductible, then covered in full	Deductible, then 20% co-insurance
Pharmacy Benefit	\$15/30/50—retail (30-day supply) \$30/60/150—mail service (90-day supply)	Not covered

