

IAI

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MASSACHUSETTS

HEALTH CARE REFORM UPDATES

][Minimum Creditable Coverage (MCC)–Update for Medigap Plans

As we have previously communicated (October *IAI*), as of January 1, 2009, Massachusetts residents will need to have health coverage that meets the Minimum Creditable Coverage (MCC) requirements established by the Commonwealth Health Insurance Connector in order to be considered to have met the individual mandate for health coverage. Blue Cross Blue Shield of Massachusetts has determined and will be communicating with all of our employer groups which of its health plans would meet or not meet MCC requirements.

We are providing an update to inform you that all Blue Cross Blue Shield of Massachusetts Medigap plans will be deemed MCC compliant according to the January 1, 2009, requirements. The reasons why Blue Cross Blue Shield of Massachusetts Medigap plans meet MCC requirements are explained below.

The Commonwealth of Massachusetts has stated that Medicare (Medicare Part A and Medicare Part B) is considered to meet the MCC requirements. Medigap plans, as standalone plans, do not meet MCC as these plans do not cover benefits in full, but only supplement the benefits provided under original Medicare. This would include plans such as Blue Cross and Blue Shield's Managed Blue for Seniors™ and Medex® plans.

However, according to state Medigap regulations, Blue Cross Blue Shield of Massachusetts may not sell a Medigap plan to anyone that is not concurrently enrolled in Part A and Part B of Medicare. Based on this prerequisite, Blue Cross Blue Shield of Massachusetts considers its Medigap products (Medex and Managed Blue for Seniors) MCC compliant because all Medigap products are required to be combined with an MCC-compliant plan (Medicare Part A and Medicare Part B).

][1099 Health Care Reform Statements Update

As previously discussed (July *IAI*), carriers are required to issue the 1099-HC statement to all fully insured subscribers. Employers that self-fund their health plan are required to issue the statements to their employees or arrange for the carrier to provide the service. In an effort to ensure all Blue Cross Blue Shield of Massachusetts subscribers receive the appropriate 1099-HC form mandated by the Health Care Reform Act for inclusion with their 2007 income tax returns, Blue Cross Blue Shield of Massachusetts has elected to issue 1099-HC statements for 2007 to all subscribers residing in Massachusetts, whether covered by a fully insured or an employer's self-funded plan. This includes subscribers that are enrolled in health plans that are both fully insured and self-insured as well as those in direct pay plans. The forms will be issued by Blue Cross Blue Shield of Massachusetts prior to January 31, 2008. There will be no specific additional fee for this service for 2007.

Residents that do not have health coverage as of December 31, 2007, may be subject to tax penalties as determined by the Massachusetts Department of Revenue. For calendar year 2008 residents must have health coverage throughout the year. The 1099-HC statement for 2008 to be issued in January 2009 will identify coverage effective begin and end dates and will identify gaps in coverage where appropriate. Residents having gaps in coverage greater than 63 days may be subject to tax penalties as determined by the Massachusetts Department of Revenue. 1099-HC statements for 2008 will be issued prior to January 31, 2009.

For calendar year 2009 residents must have health coverage that meets Minimum Creditable Coverage (MCC) requirements throughout the year. **MCC requirements are not in effect for 2007 or 2008.** 1099-HC statements for 2009 will identify gaps in coverage similar to 2008 and will indicate whether or not coverage provided meets the minimum creditable coverage requirements. Residents who do not have coverage throughout 2009 that meets MCC requirements may be subject to tax penalties as determined by the Massachusetts Department of Revenue. 1099-HC statements for 2009 will be issued prior to January 31, 2010.

Further details are available on the Massachusetts Department of Revenue website. If you have questions or would like more information, please contact your Account Executive.

][Health Care Access “Technical Corrections” Bill

The Health Care Access “technical corrections” bill was signed by Governor Deval Patrick on November 29, 2007, and is now Chapter 205 of the Acts of 2007. The Governor made no substantive changes to the version passed by the Legislature, but did add an emergency letter making changes to the bill effective immediately, unless specified otherwise. Key provisions in the new law include:

- Health Disparities Council membership: Health care reform made the Special Commission on Health Care Disparities into a permanent council within EOHHS. A seat was added for Blue Cross Blue Shield of Massachusetts per our request. (The Massachusetts Hospital Association and Harvard School of Public Health were also added per their requests.) The Council is charged with making recommendations regarding the reduction and elimination of racial and ethnic disparities in health care and health outcomes within Massachusetts. In addition to the various diseases or illnesses that disparately impact racial and ethnic groups, the Council will also address diversity in the health care workforce (e.g., doctors, nurses, and physician assistants), and will make recommendations on methods to increase diversity in the health care workforce. The Council also expects to make recommendations on other matters impacting and relevant to health disparities, including the environment and housing.
- For the purpose of clarification, the bill replaces the words “following loss of dependent status under the Internal Revenue Code” with “after the end of the calendar year in which such persons last qualified as dependents under 26 USC 106” (effective January 1, 2008).
- Extends Young Adult Plan eligibility to 18 year olds (now includes ages 18 to 26); previously it had been limited to those between ages 19 and 26. This went into effect on November 29, 2007.

][Partnership for Healthcare Excellence Launches Ad Campaign to Educate, Motivate, Empower Patients

Educating consumers and motivating them to become involved in improving the quality of their health care: that's the goal of the new print ad campaign launched by the Partnership for Healthcare Excellence, a new statewide organization supported through seed funding by Blue Cross Blue Shield of Massachusetts. The Partnership rolled out a series of print ads that ran from October 25th through December 10th in daily and weekly newspapers across the state, including *The Boston Globe*, *Worcester Telegram & Gazette*, and *El Planeta*.

The Partnership for Healthcare Excellence is a broad-based, statewide coalition uniquely focused on helping patients play a greater role in improving the quality of their health care. The Partnership believes that having patients who are educated, active, and engaged is one of the best ways to improve the safety and effectiveness of health care for everyone.

“By educating consumers about the specific things they can do to ensure better quality and safer care—such as asking questions, working better with their doctor, and checking medication labels—patients are better informed, more empowered, and have a greater voice in the quality of their care,” said Blue Cross Blue Shield of Massachusetts Executive Vice President and Partnership Board Member Peter Meade. “The Partnership aims to give consumers the tools they need to be better informed, more engaged and, ultimately, become catalysts for higher quality health care.”

Firmly rooted in consumer and physician research findings, the ad campaign showcases distinctive, appealing images of regular people in a variety of settings, with a description of who they are and what makes them “great patients.” The ads reflect diversity in gender, ethnicity, age, and work status.

As well as reaching out to consumers through the ad campaign, the Partnership has also launched a new website: www.partnershipforhealthcare.org. A one-stop center for credible information, the new site provides information, tools, tips, and other resources specifically designed to make it easier for consumers to become active and engaged in their own care.

In the coming months, the Partnership will be working in the community to help spread the word about the importance of becoming an engaged patient through local events, forums, and other venues.

The Partnership has gathered considerable momentum since its inception in January 2007 when the Board of Directors was formed. It recently appointed Marilyn Schlein Kramer as its Executive Director, and established a Leadership Council comprised of more than 40 organizations that includes physicians, nurses, hospitals, patients and consumer advocacy groups, educators, businesses, labor leaders, and many others.

][One of America's Five Best Health Plans

Blue Cross Blue Shield of Massachusetts is again listed among the five best commercial health plans nationwide, according to rankings by the US News/NCQA America's Best Health Plans™ 2007. Blue Cross Blue Shield of Massachusetts is fourth among all Commercial plans and second among all Medicare plans.

The Commercial ranking is unchanged from a year ago, while the Medicare ranking is a jump from ninth in 2006.

NCQA is an independent, not-for-profit organization dedicated to measuring the quality of America's health care. If you would like to learn more about NCQA Rankings, contact your Account Executive.

“America's Best Health Plans” is a trademark of *US News & World Report*.”



PRODUCT/NETWORK UPDATES

][Voluntary Blue: Health Care Coverage for Non-Eligible Part-Time Employees

Under Massachusetts health care reform, employers with 11 or more full-time equivalent employees must give their qualifying part-time employees, not covered by their employer's plan, the option of directly purchasing health coverage on a pre-tax basis through an employer's Section 125 plan.

Meeting this mandate does not have to be an expensive administrative burden—not with Voluntary Blue. Blue Cross Blue Shield of Massachusetts has worked with Benefit Concepts, an established administrative services company, to create a new service that can help you set up a special Section 125 plan and Premium Reimbursement Account (PRA) arrangement for these non-eligible part-time employees.

The PRA is used to hold money deducted pre-tax from part-time employees to pay and reimburse employees for their health care premiums on a pre-tax basis. The PRA is administered by Benefit Concepts.

And if you offer Blue Cross Blue Shield of Massachusetts coverage exclusively to your full-time employees and have 11 or more full-time employees, we will pay the one-time setup costs to get your solution up and running.

Benefit Concepts will validate reimbursement requests, administer payments to employees, and respond to PRA questions. You will pay the small monthly maintenance and per-employee fees directly to Benefits Concepts.

This value-added service can not only help you meet your obligations that are part of health care reform, but it will also allow both you and your employees to save on taxes as your employees direct some of their paycheck to buy health care on a pre-tax basis.

If you have questions about Voluntary Blue, please contact your broker or Account Executive.

][New Medicare Options for Group Retirees

Beginning in January 2008 Blue Cross Blue Shield of Massachusetts will offer a new, portable Medicare Advantage Private Fee-for-Service plan, Blue Medicare PFFSSM. Our lowest cost Medicare Advantage health plan is available to individual Medicare beneficiaries in the general marketplace and to covered group retirees of Massachusetts-based employer and union groups. Eligible group individuals may live anywhere in the U.S. and access plan services nationwide as long as providers observe the plan's payment terms. Worldwide emergency services are exempt from the payment terms requirement.

For eligible group plans, additional coverage options are available for prescription drugs and select medical benefits. There is also a Blue Medicare PFFS plan with prescription drugs and enhanced health promotion programs and eyewear benefits available for eligible groups offering the plan on a non-contributory basis.

If you have questions about Blue Medicare PFFS, please contact your broker or Account Executive.



][New Partner for Stop Loss Coverage

We are pleased to announce that effective January 1, 2008, Blue Cross Blue Shield of Massachusetts will be partnering with Health Reinsurance Management Partnership (HRMP) to administer certain services for Stop Loss coverage. This new partnership will allow us to expand upon the Stop Loss services we provide today including providing coverage for our clients that offer multiple carriers and providing coverage for “run-in” claims for new business.

HRMP is located in Danvers, Massachusetts and specializes in providing reinsurance, administrative, and consulting solutions for the group accident and health market.

If you have questions about the new partnership, please contact your broker or Account Executive.

][Licensed Marriage and Family Therapists

Licensed Marriage and Family Therapists (LMFTs) are mental health professionals trained in psychotherapy and family therapy, and are licensed to diagnose and treat mental and emotional disorders within the context of marriage, couples, and family systems.

Blue Cross Blue Shield of Massachusetts has been working with the Massachusetts Association for Marriage and Family Therapy to develop a plan to add LMFTs to our behavioral health network in Massachusetts. Once implemented, services rendered by these professionals will be covered under the Mental Health benefit offered through Blue Cross Blue Shield of Massachusetts.

We will be providing an update in the March *IAI* as to the effective date of the availability of these new providers in our network.

PHARMACY MANAGEMENT

]] Benefit Exclusion

As of January 1, 2009, all drugs in the therapeutic class of non-sedating antihistamines will be excluded from our pharmacy benefit coverage in a one-day change. At that time, formulary exceptions, including those previously approved, will no longer be available for this class of medications. As a reminder, as of January 1, 2008, all covered non-sedating antihistamines (Allegra,[®] Allegra D,[®] Fexofenadine) will be moved to non-covered status and coverage will only be available through an approved formulary exception request through December 31, 2008.

We are making this change due to the wide availability of several non-sedating antihistamine products over-the-counter without prescription, which now includes Zyrtec,[®] as recently announced by the FDA.

Although the benefit exclusion will not take effect until January 1, 2009, we are communicating this now because Blue Cross Blue Shield of Massachusetts benefit information and coverage plans will be updated to include notice of this future change beginning on January 1, 2008. Language will be added to subscriber certificates and benefit descriptions indicating this change will occur as of January 1, 2009. This benefit exclusion will not apply to Medex, Medicare Advantage Plans, Managed Blue for Seniors, or closed non-group indemnity plans.

Members who are taking a non-sedating antihistamine through a formulary exception will be notified of this change via letter no later than November 1, 2008.

If you have questions about benefit exclusions, please contact your Account Executive.

]] Specialty Pharmacy Changes

As of January 1, 2008, in order to obtain pharmacy benefit coverage for certain specialty medications listed on page 9, members will need to have their pharmacy prescriptions for these medications filled through one of the designated retail specialty pharmacies listed below.

Designated Retail Specialty Pharmacy Network

Caremark, Inc.
1-866-846-3096
Fax: 1-800-323-2445
www.caremark.com

OTN Specialty Services
1-800-370-2510
Fax: 1-800-874-9179
www.otnservices.com

CuraScript, a subsidiary of Express Scripts, Inc.
1-888-823-9070
Fax: 1-888-773-7386
www.curascript.com

SpecialtyScripts
1-800-218-5688
Fax: 1-800-830-5292
www.specialtyscripts.com



How This Affects Members

If members are currently receiving one of the medications on the list on page 9 through one of these specialty pharmacies, they need not take any action at this time. If the members are currently receiving medications through the Mail Service Pharmacy via Express Scripts, Inc., or another retail pharmacy, they will need to transfer their prescription to Caremark, CuraScript, SpecialtyScripts, or OTN Specialty Services.

As an accommodation, members will be allowed one courtesy refill of their medication at their current pharmacy. This one-time accommodation is only available through April 1, 2008. After this final refill, they must fill their prescription through Caremark, CuraScript, SpecialtyScripts, or OTN Specialty Services.

Because these designated network providers are retail pharmacies, members' current retail cost-sharing amount will apply. Once this network change goes into effect on January 1, 2008, these medications will not be available through the mail service pharmacy. In addition, after January 1, 2008, members who choose to receive their medications through any pharmacy not in the specialty pharmacy network will be responsible for the full out-of-pocket costs.

How Members Can Obtain Their Next Supply of Specialty Medication(s)

Members should contact one of the designated retail specialty pharmacies listed above. If they have questions about one of the designated pharmacies or the specialty network change, they can contact our Member Service Department at the number printed on the front of their ID cards.

Exceptions to the Network Change

The network change does not apply to Medex, Blue MedicareRxSM or Medicare Advantage plans that include prescription drug coverage. In addition, the implementation date for the network change will be January 1, 2009, for account plan designs with co-insurance at retail and copayment at mail service (e.g., 20%/50% retail co-insurance, combined with a \$10/\$25/\$40 mail-service copayment).

A Full Range of Services

Caremark, CuraScript, OTN Specialty Services, and SpecialtyScripts provide specialized support and delivery services that are available at no additional cost. These services include:

- All necessary medications and supplies needed for administration.
- Delivery of medications to members' home or designated location. When medically necessary, overnight delivery is available at no additional delivery cost.
- Access to nurses and pharmacists specializing in the treatment of the applicable condition, and who are available 24 hours a day, seven days a week, to provide support and educational information about medications.
- Telephone consultation to answer questions related to medication administration needs.
- Educational resources regarding medication use, side effects, and injection administration. Instructions are available in both English and Spanish, and translation services are available in other languages.

Please note, we have advised affected members and physicians in our network of this change and we will be working with our members directly.

Affected Medications

Oral Medications	Intravenous and Injectable Medications		
Exjade ^{®1}	Actimmune ^{®2}	Increlex ^{™6}	Somavert ^{®2}
Letairis ^{™2}	Apokyn ^{®5}	Norditropin [®] NordiFlex [®]	Tev-Tropin [®]
Revatio ^{™3}	DDAVP [®]	Norditropin [®]	Zorbtive ^{®6}
Rilutek ^{®3}	Forteo [™]	Nutropin [®]	
Tracleer ^{®2}	Fuzeon [®]	Nutropin [®] AQ	
Xyrem ^{®4}	Genotropin ^{®6}	Saizen [®]	
Zavesca ^{®2}	Humatrope ^{®6}	Serostim [®]	

¹ This medication is only available at Caremark

² This medication is only available at Caremark or CuraScript

³ This medication is only available at Caremark, CuraScript, or SpecialtyScripts

⁴ This medication is only available at CuraScript

⁵ This medication is only available at Caremark or OTN Specialty Services

⁶ This medication is only available at Caremark, CuraScript, or OTN Specialty Services

If you have questions about these pharmacies, or these specialty pharmacy changes, please contact your broker or Account Executive.

PROACTIVE HEALTH MANAGEMENT

][Reminder of Behavioral Health Management Changes for January 1, 2008

Effective January 1, 2008, Blue Cross Blue Shield of Massachusetts will assume the administration of behavioral health services from our current manager, Magellan Health Services (Magellan) for the members in our New England Managed Care Plans: HMO Blue® New England, Blue Choice® New England, Blue Choice New England Plan 2, and Network Blue™ New England. In 2008 members in these plans will receive their in-network behavioral health care from providers participating in the local behavioral health network offered by Blue Cross Blue Shield plans in Massachusetts, Rhode Island, Connecticut, Vermont, New Hampshire, and Maine. In certain states outside of Massachusetts, we are planning to engage a vendor to assist in various utilization management and appeal functions.

Behavioral Health Outcomes Measurement Program Update

Additionally, members in the New England Managed Care Plans receiving outpatient behavioral health treatment from a participating Massachusetts provider may also participate in our Behavioral Health Outcomes Measurement program. This voluntary program enables members to give their behavioral health providers real-time feedback on their behavioral health status through a self-administered, standardized, validated, patient-assessment questionnaire.

New Outpatient Behavioral Health Authorization Process

As announced in the October *IAI*, as of January 1, 2008, Blue Cross Blue Shield of Massachusetts will no longer require members to obtain authorization for the first 12 outpatient behavioral health sessions with participating providers in a calendar year. This change applies to all managed care members except those with the Federal Employee Health Benefit Plan (FEP) or those with Medicare Advantage products. Please note that members are responsible for being aware of the total number of behavioral health sessions they have used within a calendar year and they will be responsible for payment if they exceed the behavioral health visit benefit limit as outlined in their subscriber certificate.

]] Blue Care Connection® Program Updates for 2008

To help our members with asthma better manage their health, beginning in January 2008, our Blue Care Connection® health management program will expand to include Asthma management. This program is designed to improve members' quality of life and support the physician-patient relationship and plan of care. This program will include both pediatric and adult members, and like our other disease management programs, will provide educational tools that allow members to take a more active role in their own health. The program is designed to:

- Educate members to identify and manage their triggers
- Foster adherence to a medication regimen
- Encourage members to work with their providers to create and use an action plan
- Educate parents and children about triggers, medications, and creation of an action plan for our pediatric program participants

Additionally, as of January 31, 2008, The Blue Care Connection program will no longer include Depression management as a standalone program. Blue Cross Blue Shield of Massachusetts is continuing to develop innovative programs to support our members with behavioral health concerns. Members who were participating in the Depression program may receive a follow-up call from a Blue Cross Blue Shield of Massachusetts behavioral health case manager, who can support the member in developing a plan of care. These members will also receive a letter notifying them of the conclusion of the program, and may be invited to join other health management programs in the future, if appropriate.

][Get Blue Online Enrollment

We are pleased to announce that prospective direct pay (non-group) members can now shop for individual health coverage directly through Blue Cross Blue Shield of Massachusetts, comparing plans and prices and enrolling online.

By going to www.GetBlueMA.com, prospective members can get a quote, view side-by-side comparisons of plan benefits, use recommendation tools to do product research, and enroll in a plan. Consumers can evaluate their plan options carefully and feel confident they are selecting the right Blue Cross Blue Shield of Massachusetts plan for them. The tool is available through the **GetBlue** section of our bluecrossma.com website.

The online tool is a great way for individuals and families not covered through an employer group to shop for a Blue Cross Blue Shield of Massachusetts direct pay health plan online.

The site's launch comes at a perfect time too. Massachusetts residents can enroll in our health plans until December 31 and still meet the health care reform deadline to avoid any tax penalties for 2007.

][Email Capture

Beginning with the mailing of *Healthy Times* to over 900,000 Blue Cross Blue Shield of Massachusetts members, we're embarking on the first steps to collect email addresses from our subscribers who choose to opt in and provide this information. We are offering Blue Cross Blue Shield of Massachusetts subscribers the opportunity to register their email address on a dedicated, secure website, www.bluecrossma.com/email, that was launched November 30 to facilitate collection of member email addresses. For those who access the site, we are offering topical information of interest to members, as well as a discount on the Philips Sonicare® E5300 power toothbrush. Members actively opt in to receive communications via email, and provide information on their health interests to enable more relevant, personalized communications in the future. We will also be using other points of contact with our subscribers to invite them to opt in and provide their email address information.

][Changes to Evidence of Coverage Delivery Method

Starting, January 1, 2008 we will begin directing our fully insured subscribers to our website in order to obtain certain information included in the Evidence of Coverage, including subscriber certificates, riders, and other relevant plan information. This process will replace our current process of mailing hard copies of these materials at enrollment or renewal. We will send all of our insured medical subscribers a kit including a letter stating their premium costs, along with instructions about what information they can access at our website and how to view and download their policy. This kit will also include a copy of Your Pharmacy and For Your Benefit brochures, and a Quick Start. Insured Medical members can view and print relevant information by registering and logging into the Member Self Service feature of our website. If preferred, insured members can request a hard copy by calling a toll free number at any time. We will provide a hard copy Evidence of Coverage to the representative for each fully insured employer group with two or more employees for reference.

If you have any questions about the delivery of the Evidence of Coverage information, please contact your Account Executive.

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