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## IAI | IMPORTANT ADMINISTRATIVE INFORMATION

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December 2011



Blue Cross Blue Shield of Massachusetts is an Independent Licensee of the Blue Cross and Blue Shield Association

## IAI | LETTER

Dear Valued Customer:

This issue of the Important Administrative Information (IAI) newsletter includes information on:

- Walgreens terminating its relationship with Express Scripts,<sup>®</sup>
- New W-2 reporting requirements
- An important change to the way we pay out-of-network PPO providers
- Reminder to complete PPACA and MSP Survey

Visit [www.bluecrossma.com/employer/iai](http://www.bluecrossma.com/employer/iai) to learn more about any of the topics in this edition.

As always, if you have any questions, please contact your account executive.

Sincerely,



Timothy J. O'Brien  
Senior Vice President  
Sales Division

[ IAI December 2011 ]

### UPDATE: 2012 CHANGES TO OUR PRODUCT PORTFOLIO AND BENEFIT DESIGN

[ Effective January 1, 2012 ]

We're introducing new plan options and making changes to our standard plan designs—as part of our ongoing effort to provide high-quality, affordable health care solutions. For a detailed overview of these changes, please refer to the brochures included in the October 2011 IAI at [www.bluecrossma.com/employer/iai](http://www.bluecrossma.com/employer/iai).

→ If you have any questions, please contact your account executive.

### Walgreens Leaving the Express Scripts Pharmacy Network

Express Scripts, Inc. is the company that administers pharmacy benefits on behalf of Blue Cross Blue Shield of Massachusetts. Walgreens has notified Express Scripts that it will no longer participate in the Express Scripts retail pharmacy network as of January 1, 2012. This means that if your employees continue to use Walgreens or their subsidiary pharmacies such as Schraft's, Duane Reade, and Happy Harry's, or Walgreens Specialty Pharmacy, for their prescription needs after January 1, 2012, those employees will be responsible for the cost of their prescriptions.

→ Learn more about this important change at [www.bluecrossma.com/employer/iai](http://www.bluecrossma.com/employer/iai).

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### National Health Care Reform: W-2 Reporting in 2012

Starting in 2012, employers will be responsible for reporting the total cost of group health coverage to employees on their W-2 forms, including the portion paid by the employer and the portion paid by the employee. The guidelines require employers to provide 2012 forms to employees in January 2013. This requirement is informational only and does not mean that employer-provided coverage will become taxable.

Employers that file fewer than 250 W-2 forms for 2011 will not be required to report the cost of health coverage on any W-2 forms furnished to employees before January 2014. This transition relief will continue until further guidance is issued.

→ For more information, consult your tax advisor or visit [www.bluecrossma.com/employer/iai](http://www.bluecrossma.com/employer/iai).

## Time Left to Complete PPACA and MSP Survey

In October, we sent employers with a fully insured (premium) financial arrangement one of the surveys below by mail. The information we collect in these surveys is needed for Blue Cross Blue Shield of Massachusetts to comply with Patient Protection and Affordable Care Act (PPACA) and Medicare Secondary Payer (MSP) laws.

- Patient Protection & Affordable Care Act survey
- Patient Protection Affordable Care Act/Medicare Secondary Payer surveys

If you replied to the survey, we thank you.

If you haven't filled out the survey, there's still time, but the deadline is right around the corner. To complete the survey, you will need the letter we mailed to you in late October. If this information has been misplaced, please call **1-888-703-7302**.

For more information on the survey, please go to [www.bluecrossma.com/employer](http://www.bluecrossma.com/employer) and click on **Important Survey: Employer Group Size and Medical Loss Ratio** in the **News and Updates** section.

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## Important Reminder: Employee Enrollment Status

As a reminder, it is critically important that you provide Blue Cross Blue Shield of Massachusetts with the most up-to-date enrollment status data so that benefits can be coordinated as efficiently as possible.

Anytime an employee's status changes from "active,"<sup>1</sup> it could affect how claims are paid. If a member under your account retires, the sooner you contact Blue Cross Blue Shield of Massachusetts with this information, the better. This way, our team can coordinate with Medicare and other payers to ensure claims are paid properly, saving time and decreasing costs.

Learn more about this requirement at [www.bluecrossma.com/employer/iai](http://www.bluecrossma.com/employer/iai).

1. An "active" employee is someone who is contributing toward benefits offered by the company for which they work.

## Non-payment Cancellation of Group Accounts

If an account is canceled for non-payment of premiums, the termination date will be retroactive and may be effective as of the last date through which the group premium was paid. All claims incurred after the termination date will be the subscriber's responsibility.

Within 60 days of the termination date, Blue Cross and Blue Shield of Massachusetts will send all group subscribers written notification of the termination. This notice to subscribers will include continuation of coverage options.

As a reminder, payment for all charges is due by the due date on the invoice. If you want to learn about eBilling, our online billing tool, or if you have any questions, please call Customer Financial Management at **1-617-246-5841**.

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## Blue Options and Hospital Choice Cost Sharing Network Changes for 2012

As of January 1, 2012, four Massachusetts hospitals will shift to more favorable tiers within the Blue Options plans. This change will also reduce the cost to members at two hospitals in the Hospital Choice Cost Sharing plan feature. These hospitals are:

- Cooley Dickinson Hospital
- Massachusetts Eye and Ear Infirmary
- New England Baptist Hospital
- St. Anne's Hospital

The hospitals are changing for one of two reasons:

- The hospitals significantly improved their cost performance
- The hospitals are now able to be measured for quality and met our quality benchmark

→ Learn more about Blue Options and Hospital Choice Cost Sharing at [www.bluecrossma.com/employer/iai](http://www.bluecrossma.com/employer/iai).

## Reimbursement for Out-of-Network PPO Providers

Beginning January 1, 2012 (upon renewal), reimbursement will change under our standard commercial PPO plans for covered services provided by most non-PPO participating providers (professional, ancillary, and institutional providers). This change applies to our Blue Care Elect<sup>SM</sup> and Preferred Blue PPO<sup>SM</sup> plans. Please note that this change will apply only to covered services members receive from doctors, hospitals, and other health care providers who are not part of our PPO network in Massachusetts or do not have a payment agreement with another local Blue Cross and/or Blue Shield Plan.

Reimbursement for out-of-network providers will be the lesser of the provider's actual charge or Blue Cross Blue Shield of Massachusetts' established usual and customary fee schedule for the service. The usual and customary fee schedule will be based on the standard allowance that Blue Cross Blue Shield of Massachusetts has established for its indemnity products. For instances in which the provider's actual charges are greater than the usual and customary charge, the member will be responsible for the applicable cost sharing amount based on the usual and customary fee, plus the difference between the usual and customary fee and the provider's actual charges. This change does not apply to non-participating emergency rooms, hospital-based emergency medicine physicians, or hospital-based anesthesiologists, pathologists, or radiologists. For these non-participating providers, the provider's actual charge is used to calculate a member's benefits.

Members who have used non-participating providers in the past year will be notified directly. If you have questions about any of these changes, please contact your account executive.

→ Learn more about this requirement at  
[www.bluecrossma.com/employer/iai](http://www.bluecrossma.com/employer/iai).