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Important Change Regarding Payment for Services from Out-of-Network Health Care Providers

We are writing to tell you about an important and upcoming change to the way we pay out-of-network providers in our Preferred Provider Organization (PPO) plans. An out-of-network provider is a doctor, hospital, or other health care provider that does not have a PPO payment agreement with Blue Cross Blue Shield of Massachusetts (or a payment agreement with the local Blue Cross and/or Blue Shield plan if you are seeking care out of state).

This payment change could mean a significant increase to your out-of-pocket costs for care you receive from an out-of-network provider. For examples of what this change could mean for you, please see the second page.

When Will These Changes Happen?

Beginning on your PPO plan's 2012 renewal date, out-of-network health care providers may be paid based on Blue Cross Blue Shield of Massachusetts' "usual and customary" fee schedule instead of the health care provider's actual charges. This fee schedule is what we will allow in coverage, and you can see examples for **illustrative** purposes only on the next page. When you receive your new benefit information, please review it carefully to see if this change applies to your specific plan—and for details on usual and customary charges.

How Will This Work?

- If the out-of-network health care provider's actual charges are more than the usual and customary fee, your PPO plan will cover the usual and customary fee for services provided (once you have reached your deductible). You will then be responsible for the difference between the actual charges and the usual and customary fee, in addition to any copayments, deductible, and co-insurance due. **That difference could be substantial—see examples on page 2.**
- This change does not apply to emergency medical care.

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Let's Look at Some Examples

All dollar amounts are not actual charges and are hypothetical and for illustrative purposes only.

	Example A: Office Visit		Example B: Surgery	
	If Cindy Sees an In-Network Provider	If Cindy Sees an Out-of-Network Provider ¹	If Cindy Sees an In-Network Provider	If Cindy Sees an Out-of-Network Provider ¹
Health care provider's charge	\$500	\$500	\$90,000	\$90,000
Blue Cross Blue Shield pays	Negotiated rate	Usual and customary fee = \$225	Negotiated rate	Usual and customary fee = \$40,500
Cindy pays:				
Copayment	\$20	\$0	\$500 (hospital copayment)	\$0
Co-insurance (after deductible)	\$0	20% of \$225 = \$45	\$0	20% of \$40,500 = \$8,100
Cindy's balance bill	\$0	\$500 - \$225 = \$275	\$0	\$90,000 - \$40,500 = \$49,500
Cindy's total out-of-pocket cost (after deductible)	\$20	\$45 + \$275 = \$320	\$500	\$8,100 + \$49,500 = \$57,600

1. After the member has met his or her deductible.

As these examples show, you typically pay less out-of-pocket when you choose to receive health care services from an in-network health care provider.

Why Is This Change Happening?

Out-of-network health care providers often charge as much as three to five times more than in-network health care providers. Those higher costs can mean higher premiums. By making this change, we highlight that affordable health care is available through in-network providers, while still offering an out-of-network option.

What Can I Do to Protect Myself from Getting a Very Large Medical Bill?

We encourage you to seek care from in-network health care providers. Your plan provides access to an extensive network of PPO health care providers in Massachusetts and across the country. **If you are unsure that a health care provider is part of your network, ask before receiving any services.**

To find an in-network health care provider, visit www.bluecrossma.com/findadoctor. If you have additional questions, please contact Member Service at the number on the front of your ID card.