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MASSACHUSETTS

HEALTH CARE REFORM UPDATES

][Federal Subsidy of COBRA and Mini-COBRA Premiums

Blue Cross Blue Shield of Massachusetts is continuing to actively monitor the regulatory landscape for any legislation that addresses the COBRA and mini-COBRA premium subsidy.

As more information becomes available, we will share updates with you on **BlueLinks for Employers** at www.bluecrossma.com/employer.

][GINA Mandate Compliance

As you may be aware, on October 7, 2009, the federal government issued regulations related to the Genetic Information Nondiscrimination Act (GINA). These rules, which became effective on December 7, 2009, included limits on requesting genetic information, such as family history in a health risk assessment, in certain circumstances.

In response to GINA, Blue Cross Blue Shield of Massachusetts worked closely with our health risk assessment partner, Healthways, Inc., to remove family history questions from our health risk assessment.

*For health risk assessments taken **after** November 12:*

Healthways removed the family history questions from health risk assessments as of November 12. As of that date, any member who completed a health risk assessment was no longer asked questions related to family history.

*For health risk assessments taken **prior** to November 12:*

Federal regulators provided employers with five options for “in-flight” campaigns where health risk assessments with family history questions had already been completed by employees. Blue Cross Blue Shield of Massachusetts worked closely with affected employers to provide consultation and direction in order to meet compliance guidelines. Additionally, all family history question data was expunged from Blue Cross Blue Shield of Massachusetts and Healthways, Inc. databases.

][Update: Federal Mental Health Parity Interim Final Regulations, Effective July 1, 2010

Note: This article highlights some provisions in the new interim federal mental health parity regulations and is **not** meant to serve as a complete summary of the new requirements. This is not intended as legal advice; employers should consult their legal counsel for compliance guidance and legal advice.

On February 2, 2010, new interim final regulations were published, implementing the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008, otherwise known as the Federal Mental Health Parity Act (FMHPA).



Generally, the FMHPA requires that group health plans and group health insurers make certain that financial requirements and treatment limitations applicable to mental health/substance use disorder benefits are no more restrictive than the predominant financial requirements and treatment limitations placed on medical/surgical benefits. In general, this law applies to employers with more than 50 employees, regardless of financial arrangement.

In the June 2009 issue of *Important Administrative Information (IAI)*, we discussed the requirements of the FMHPA, which took effect for Blue Cross Blue Shield of Massachusetts plans on anniversary dates beginning October 1, 2009. Blue Cross Blue Shield of Massachusetts and our customers completed significant work in 2009 to bring plan designs into compliance with the FMHPA as it was understood prior to the new regulations.

The new regulations, which become effective on anniversary dates beginning July 1, 2010, contain some unexpected expansions on what was generally understood to be required under the FMHPA. Employers (plan sponsors) and health insurers will now want to review plan designs to see if changes are necessary to bring them into compliance with the regulations.

For example, some highlights of the regulations include (please note that this is not intended to be a complete or exhaustive list of the regulatory requirements):

- Establishment of rules for calculating and measuring plan benefits to conduct parity analyses.
- Employers must combine all offered group health plan options into one group health plan for purposes of parity analysis. This will significantly impact many employers, including those who carve out mental health and substance use disorder plans.
- Requirements for parity of “non-quantitative” treatment limitations, which include any limitation that affects the scope of duration of benefits under the plan that is not expressed numerically. Non-quantitative treatment limitations subject to parity requirements include, in part:
 - Medical management standards, (e.g., processes, such as medical necessity review, preauthorization, concurrent review, retrospective review, case management, utilization review)
 - Prescription drug formulary design
 - Step-therapy protocols
- **The prohibition of separate deductibles for mental health/substance use disorder benefits and medical/surgical benefits.**
- **The prohibition of applying a higher specialist copayment to outpatient mental health visits rather than the lower primary care provider copayment (in plans with a split copayment design).**

This information is current as of March 1, 2010. Blue Cross Blue Shield of Massachusetts will continue to review our plan designs and keep our business partners and customers informed of new developments. Employers should consult their legal counsel for compliance guidance and legal advice.

If you have additional questions, please contact your account executive.

][Health Care Basics: Teaching the Fundamentals

In late November, we launched Health Care Basics, a website aimed at improving English- and Spanish-speakers' understanding of Massachusetts health care. Advertisements placed in English- and Spanish-language newspapers and websites directed readers to visit www.bluecrossma.com/basics (English) or www.bluecrossma.com/basicos (Spanish). Health Care Basics empowers visitors to learn about the role of health coverage in staying healthy, including:

- The importance of preventive care and screenings
- Definitions of commonly used health care and insurance terms
- Affordability and the value of health insurance
- Information on the health care reform law in Massachusetts
- How to choose a plan that meets their needs

The new websites are the latest component of Blue Cross Blue Shield of Massachusetts' multicultural marketing campaign to support the needs of Hispanic/Latino and African-American/Black communities. If you would like more information about our multicultural marketing tools, or would like to discuss how we can help you engage your diverse employee population, please contact your account executive.

GENERAL UPDATES

][Interest Charge Assessment

During 2010, Blue Cross Blue Shield of Massachusetts will begin assessing an interest charge on employer group accounts with past-due balances. Some employer groups will be affected as soon as March, and others at later dates during the year. This change is being implemented to encourage employer groups to pay their invoices on time, and is consistent with account agreement language for all fully insured and administrative service contract (ASC) customers.

All employer groups will receive a notice of this change along with their invoices. The notice will also provide fully insured employer groups with instructions on setting up electronic billing with our eBill tool to help expedite payments.

What You Need to Know

- Employer groups with past-due balances 10 days after the due date may be subject to an interest charge. Interest will be calculated from the due date on unpaid balances.
- Fully insured employer groups can use our eBill tool to view their invoices or expedite their payments online.
- Although account agreements allow Blue Cross Blue Shield of Massachusetts to charge an interest rate of 1.5% per month, the interest rate charged will be 0.75% per month.

If you have any questions or want to learn more about the eBill tool, please contact your Blue Cross Blue Shield of Massachusetts accounts receivable analyst.



][Introducing Blue Options Deductible

We continue to enhance our diverse product portfolio to keep it in line with employers' need for affordable, high-quality coverage. With this in mind, we are proud to introduce our new tiered-network Blue Options Deductible plans to both fully insured and self-insured accounts:

- HMO Blue OptionsSM v.3 Deductible / Network Blue[®] Options v.3 Deductible
- HMO Blue New England OptionsSM v.3 Deductible / Network Blue New England OptionsSM v.3 Deductible

How Does It Work?

Through the use of incentives, Blue Options Deductible plans encourage members to seek care from high-quality, lower-cost providers. Member cost-sharing is based on the Benefit Tier of the primary care provider (PCP) they choose and the tier of the hospital they go to for care.

Provider Tiers		
Tier	Criteria	Member Out-of-Pocket Cost
Enhanced Benefits Tier (EBT)	Includes Massachusetts PCPs and hospitals that met our quality benchmark and our benchmark for lowest cost.	Lowest
Standard Benefits Tier (SBT)	Includes Massachusetts PCPs and hospitals that met our quality benchmark and our benchmark for moderate cost. Also includes providers without sufficient data for measurement on one or both benchmarks. In limited circumstances, the Standard Benefits Tier includes certain providers whose scores would put them in the Basic Benefits Tier to provide geographic access for members.	Moderate
Basic Benefits Tier (BBT)	Includes Massachusetts PCPs and hospitals that scored below our quality benchmark and/or our benchmark for moderate cost.	Highest

Other plan design features include:

- Deductibles on the Standard and Basic Benefits Tiers
- Out-of-pocket maximum (\$5,000 per individual/\$10,000 per family) applies to deductible, co-insurance, and copayments more than \$100 per visit (if any), excluding prescription drug copayments
- Specialists are not tiered; \$50 copayment applies
- Emergency services are not tiered, \$150 copayment applies

For more information on tiered networks and the tools and resources available to assist employers and employees, please visit www.bluecrossma.com/blueoptions.

HMO Blue Options v.3 Deductible (Levels \$0/500/2,000)

This plan includes different deductibles and/or copayments for acute care general hospital inpatient and outpatient facility services based on the tier of the hospital utilized. The deductible only applies to the hospital facility costs and is determined based on the hospital utilized at the point of service. There are also different office visit copayments for PCP services based on the tier of the provider who delivers the service.

HMO Blue Options v.3 Deductible (Levels \$0/500/2,000)			
	Benefits Tier		
	Enhanced	Standard	Basic
Network	HMO Blue		
Deductible (Plan Year)	None	\$500 per member \$1,000 per family	\$2,000 per member \$4,000 per family
Out-of-Pocket Maximum	\$5,000/\$10,000		
Emergency Room	\$150 copayment		
Inpatient Care	\$150 copayment	\$150 copayment after deductible <i>(\$200 copayment per admission for select hospitals*)</i>	\$1,000 copayment after deductible
Outpatient Day Surgery	\$150 copayment	\$150 copayment after deductible <i>(\$200 copayment per admission for select hospitals*)</i>	\$1,000 copayment after deductible
Preventive Care Office Visit	\$15 copayment	\$25 copayment	\$50 copayment
PCP Office Visit	\$15 copayment	\$25 copayment	\$50 copayment
Specialist Office Visit	\$50 copayment		
Diagnostic Labs and X-rays	Nothing	Nothing	Nothing

* To provide geographic access to members, the deductible does not apply for any covered services furnished at select Standard Benefits Tier hospitals, including BHS Franklin Medical Center, Falmouth Hospital, Martha's Vineyard Hospital, and Nantucket Cottage Hospital.



HMO Blue Options v.3 Deductible (Levels \$0/500/2,000)			
	Benefits Tier		
	Enhanced	Standard	Basic
Hospital-Based Lab	Nothing	Nothing after deductible [†]	Nothing after deductible
High-Tech Radiology (Hospital)	\$50 copayment per test per date of service	\$50 copayment after deductible per test per date of service [†]	\$450 copayment after deductible per test per date of service
High-Tech Radiology (Other)	\$50 copayment per test per date of service	\$50 copayment per test per date of service	\$50 copayment per test per date of service
Pharmacy	Retail—\$15/30/50 Mail—\$30/60/150		

[†] To provide geographic access to members, the deductible does not apply for any covered services furnished at select Standard Benefits Tier hospitals, including BHS Franklin Medical Center, Falmouth Hospital, Martha's Vineyard Hospital, and Nantucket Cottage Hospital.



HMO Blue New England Options v.3 Deductible (Levels \$0/500/2,000)

For the New England version, employees have access to providers throughout New England. This plan uses the same network as HMO Blue New England, but only PCPs and hospitals in Massachusetts have been tiered.

For services rendered outside of Massachusetts, members receive the Enhanced Benefits Tier benefit for PCPs and hospitals.

HMO Blue New England Options v.3 Deductible (Levels \$0/500/2,000)			
	Benefits Tier		
	Enhanced	Standard	Basic
Network	HMO Blue New England		
Deductible (Plan Year)	None	\$500 per member \$1,000 per family	\$2,000 per member \$4,000 per family
Out-of-Pocket Maximum	\$5,000/\$10,000		
Emergency Room	\$150 copayment		
Inpatient Care	\$150 copayment	\$150 copayment after deductible <i>(\$200 copayment per admission for select hospitals[‡])</i>	\$1,000 copayment after deductible
Outpatient Day Surgery	\$150 copayment	\$150 copayment after deductible <i>(\$200 copayment per admission for select hospitals[‡])</i>	\$1,000 copayment after deductible
Preventive Care Office Visit	\$15 copayment	\$25 copayment	\$50 copayment
PCP Office Visit	\$15 copayment	\$25 copayment	\$50 copayment
Specialist Office Visit	\$50 copayment [§]		
Diagnostic Labs and X-rays	Nothing	Nothing	Nothing
Hospital-Based Lab	Nothing	Nothing after deductible [‡]	Nothing after deductible

[‡] To provide geographic access to members, the deductible does not apply for any covered services furnished at select Standard Benefits Tier hospitals, including BHS Franklin Medical Center, Falmouth Hospital, Martha's Vineyard Hospital, and Nantucket Cottage Hospital.

[§] For a network chiropractor in Maine, members pay \$25 per visit.



HMO Blue New England Options v.3 Deductible (Levels \$0/500/2,000)			
	Benefits Tier		
	Enhanced	Standard	Basic
High-Tech Radiology (Hospital)**	\$50 copayment per test per date of service	\$50 copayment after deductible per test per date of service ^{††}	\$450 copayment after deductible per test per date of service
High-Tech Radiology (Other)**	\$50 copayment per test per date of service	\$50 copayment per test per date of service	\$50 copayment per test per date of service
Pharmacy	Retail—\$15/30/50 Mail—\$30/60/150		

** When the copayments for CT scans, MRIs, PET scans, and nuclear cardiac imaging tests in Connecticut total \$375 per member in a calendar year, members pay nothing for these tests for the remainder of that calendar year.

†† To provide geographic access to members, the deductible does not apply for any covered services furnished at select Standard Benefits Tier hospitals, including BHS Franklin Medical Center, Falmouth Hospital, Martha's Vineyard Hospital, and Nantucket Cottage Hospital.

][Plan Closings

As we previously communicated in the December 2009 issue of *IAI*, the following plans will be closed for new sales to employer groups with fewer than 50 eligible employees and to individuals with effective dates on or after April 1, 2010:

- Access BlueSM Enhanced Value
- Access Blue Value Plus
- Blue Care ElectSM Value Plus
- Blue Care Elect 90 with Copayment
- Comprehensive Major Medical \$500

Individuals and employer groups currently enrolled in these products may continue to renew their coverage.

PROACTIVE HEALTH MANAGEMENT

][Evolving Our Approach to Health Management

At Blue Cross Blue Shield of Massachusetts, we continuously evaluate our health management services and programs to identify opportunities to improve member health, enhance clinical quality outcomes, and decrease the cost of health care. Our Blue Care Connection[®] health management programs are designed to provide health management and support to our members through interventions while mitigating the trend of rising health care costs. Under our current health management model, only those members identified as having chronic conditions are contacted by Blue Care Connection[®] nurse coaches for education and support. Over the years, we have achieved success in supporting our members within these programs. We feel these efforts are critical to our members and to our business partners.

Our Total Population Approach

During the first half of 2010, our Blue Care Connection[®] health management programs will evolve to an integrated health management model that focuses on our entire membership. The total population approach represents a milestone in health management in that all members^{‡‡} will be continuously evaluated through claims data using predictive modeling and evidence-based case management. Members will also be provided with online wellness guidance to determine if they would benefit from more intense, targeted interventions, and those with chronic conditions will be monitored for gaps in care.

This evolution of disease management is an enhanced approach to identification and will focus on our members' medical and psychosocial needs to predict and prevent avoidable events, optimize care, and reduce short-term costs. This total population approach will help facilitate the goal of providing the right support at the right time, regardless of chronic condition or wellness status.

Blue Care Connection Members

As we streamline and integrate the services we offer, members currently managed through our Accordant Select Conditions Program will be seamlessly transitioned within this enhanced level of interaction.

All affected members will receive a letter notifying them of these changes. Additional updates related to our integrated health management model will be available at www.bluecrossma.com/employer. If you have any questions, please contact your Blue Cross Blue Shield of Massachusetts account executive.

‡‡ Excluding Federal Employee Program, account carve-outs, indemnity plans, and members under age 19



PHARMACY COVERAGE UPDATES

]] Specialty Pharmacy Network Update

The Blue Cross Blue Shield of Massachusetts specialty pharmacy network is a network of pharmacies experienced in dispensing and monitoring specialty medications. Walgreens has recently purchased both IVPCARE[®] and SpecialtyScripts specialty pharmacies.

As a result of these acquisitions, Walgreens has closed SpecialtyScripts. Walgreens will continue to operate the IVPCARE pharmacy under the name of Walgreens Specialty Pharmacy. Both of these pharmacies are part of the Blue Cross Blue Shield of Massachusetts designated retail pharmacy network.

Members who fill prescriptions at SpecialtyScripts were notified about the closing and their prescriptions have been transferred to Walgreens Specialty Pharmacy (formerly IVPCARE) if they did not select another network pharmacy.

Blue Cross Blue Shield of Massachusetts will continue to review and assess our specialty pharmacy network to ensure we are providing our members taking specialty medications with high-quality access to care. If you have any questions, please call your account executive.





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