

IAI

IMPORTANT ADMINISTRATIVE INFORMATION

Health Care Reform Updates	2
Product/Network Updates	3
Pharmacy Management	7
Proactive Health Management	8



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HEALTH CARE REFORM UPDATES

]] Update on Minimum Creditable Coverage

On January 15, 2008, the Division of Insurance issued a bulletin with requirements for carriers to disclose an insured health plan's Minimum Creditable Coverage (MCC) status and whether the health plan satisfies the individual coverage mandate of Massachusetts Health Care Reform Act. The bulletin provided standards for disclosing whether a health plan meets or does not meet the Commonwealth's January 1, 2009 MCC standards. This information will be added to our evidence of coverage materials that are issued to subscribers enrolled in insured health plans.

Senior Plans

In the December IAI, we provided information about the Minimum Creditable Coverage (MCC) standards and how they apply to senior plans. In the article, we explained that the Commonwealth of Massachusetts deemed that Medicare (Medicare Part A and Medicare Part B) meets MCC standards.

Medicare supplement plans, as stand-alone plans, **do not meet MCC standards** as these plans do not cover benefits in full, but only supplement the benefits provided under original Medicare. This includes plans such as Medex, Managed Blue for Seniors, and carve-out plans. We are required to include a disclosure notice as part of the subscriber's evidence of coverage indicating that supplementary plans, on their own, do not meet MCC standards.

However, the Medicare supplement plans, combined with Medicare A and Medicare B, are considered to meet MCC standards. Massachusetts Medicare beneficiaries will indicate this by checking off "Medicare" under Part 3-Government-Subsidized Health Insurance on the Schedule HC, which is to be filed with their Massachusetts state income tax returns.

]] Blue Cross Blue Shield of Massachusetts Students to Age 25 Report

On February 15, 2008, Blue Cross Blue Shield of Massachusetts began delivering the "Students to Age 25 Report" to accounts, and will continue to deliver them on a monthly basis. This report assists accounts in identifying their currently enrolled student dependents that are approaching age 25, and who may no longer be eligible for student or expanded dependent coverage. For any student dependents who are no longer eligible, accounts should utilize established processes for removing the affected member(s) from coverage by submitting an enrollment form to our Enrollment Department for processing, or by removing them through **BlueLinks**, our online enrollment tool. Please direct any questions to your account representative.

If you have any questions please contact your broker or Account Executive.

][Blue Cross Blue Shield of Massachusetts Creates New Subsidiary

Indigo Insurance Services to Sell New Products

Blue Cross and Blue Shield of Massachusetts, Inc. has acquired an ownership position in Life and Specialty Ventures, LLC (LSV), a life/specialty insurance holding company. In a joint endeavor with four other Blue plans in Arkansas, Florida, Hawaii, and Tennessee, Blue Cross Blue Shield of Massachusetts, through its newly formed producer subsidiary, Indigo Insurance Services, LLC, will begin to offer an expanded range of insurance products and services. Massachusetts-based companies with two or more employees will be offered products underwritten by USABLE Life, including group term life, short term disability, long term disability, and accidental death and dismemberment. USABLE Life, rated "A" by *A.M. Best* and *Standard & Poor's*, was started in 1980 and is headquartered in Little Rock, Arkansas. USABLE insures over 1.2 million individuals, is licensed in 48 states and the District of Columbia, and has over \$31.3 billion of insurance in force as of December 31, 2006.

Indigo Insurance Services was created to enable us to expand the range of ancillary insurance products we offer, as well as to provide you with the focused and dedicated sales and account support these new products require. The mission of Indigo Insurance Services is to provide competitive products, rates, compensation, a one-stop-shopping experience, and the administrative ease and high level of service you expect.

We look forward to working with you and your broker or consultant to introduce these and other products in the near future. In the meantime, feel free to contact your broker, consultant or Blue Cross Blue Shield of Massachusetts representative with any questions, or visit www.indigo-insurance.com.

][HMO Blue® Value with BasicRx

HMO Blue Value with BasicRx is a new way for employers to save money on premiums while delivering coverage to their employees that meets the state's Minimum Creditable Coverage standards.

It combines one of our most popular medical plans with a new pharmacy benefit design that helps encourage generic usage by requiring members to pay co-insurance and deductibles when they select a non-generic (Tier 2 or 3) medication.

Benefits for employers

- Premium significantly lower than HMO Blue \$10
- Requires only a copay to purchase Tier 1 generic medications. The member cost share is increased through a deductible and then co-insurance on the Tier 2 preferred brand-name medications and the Tier 3 non-preferred medications
- Encourages members use of generic medications through the BlueValue RxSM formulary
- Offers the standard medical benefits of the HMO Blue Value plan
- Meets Minimum Creditable Coverage standards
- Offers access to the full HMO Blue network

Availability

HMO Blue Value with BasicRx will be available on April 1, 2008 to all group sizes and individual purchasers.

Employers with 51 or more employees can also purchase the BasicRx pharmacy benefit as a rider and combine it with another Blue Cross Blue Shield of Massachusetts medical plan.

Plan Design

HMO Blue Value	
Office visit	\$25
Emergency room	\$100*
MRI, CT Scan and Pet Scan	\$75
Day surgery	\$250*
Inpatient admissions	\$500*
Medical deductible	None
*Out-of-pocket maximum: \$2,000/\$4,000	
BasicRx	
Deductible	\$250 individual/\$500 family for Tier 2 and Tier 3; then costs below
At the retail pharmacy	
Tier 1	\$15 (No deductible)
Tier 2	Deductible then 50% co-insurance
Tier 3	Deductible then 50% co-insurance
At the mail order pharmacy	
Tier 1	\$30 (No deductible)
Tier 2	Deductible then 50% co-insurance
Tier 3	Deductible then 50% co-insurance

If you have questions about HMO Blue Value with BasicRx, please contact your broker or Account Executive.

]] 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 the employer's plan, the option of directly purchasing health coverage on a pre-tax basis through the 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 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.

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. Meanwhile, you will pay the small monthly maintenance and per-employee fees directly to Benefit Concepts.

This value-added service can help you meet your health care reform obligations and will also allow you and your employees to save on taxes as your employees direct some of their paycheck to purchase health care on a pre-tax basis.

If you have questions about Voluntary Blue, please contact your broker or Account Executive or go to www.bluecrossma.com/voluntaryblue.

]] Medicare Advantage Network Expansion

Blue Cross Blue Shield of Massachusetts continues to expand our Medicare Advantage provider networks available to Medicare eligible individuals and employer retiree groups. Recently, several leading providers were added to the network, including current Medicare HMO Blue® network providers that expanded their participation to include Medicare PPO BlueSM. These recent additions make our Medicare Advantage provider networks among the largest available in Massachusetts.

(Please note that the table on the opposite page reflects new expansion and not necessarily all of the Medicare Advantage Plans in which a provider may already participate.)

For additional participating provider information, please visit our online **Find a Doctor** feature available at www.bluecrossma.com.

New Network Providers	County	Effective	Medicare HMO Blue	Medicare PPO Blue
Brigham and Women's Hospital, including affiliated specialty care providers	Suffolk	1/1/08		●
Charlton Memorial Hospital, including affiliated providers	Bristol	9/1/07 10/1/07	●	●
Dana-Farber Cancer Institute	Suffolk	10/1/07	●	
Heywood Hospital, including certain affiliated primary care physicians	Worcester	Varies	●	●
Jordan Hospital	Plymouth	10/1/07	●	●
Massachusetts General Hospital, including affiliated specialty care providers	Suffolk	1/1/08		●
Mount Auburn Cambridge Independent Practice Association (MACIPA)	Middlesex	2/1/08		●
Mount Auburn Hospital	Middlesex	2/1/08		●
St. Luke's Hospital, including affiliated providers	Bristol	9/1/07 10/1/07	●	●
Tobey Hospital, including affiliated providers	Plymouth	9/1/07 10/1/07	●	●

If you have questions about the Medicare Advantage Network Expansion, please contact your broker or Account Executive.

][Licensed Marriage and Family Therapists

As previously communicated in the December 2007 IAI article, Blue Cross Blue Shield of Massachusetts has been working with the Massachusetts Association for Marriage and Family Therapy to develop a plan to add Licensed Marriage and Family Therapists (LMFTs) to our behavioral health networks in Massachusetts. Effective for dates of service on or after May 1, 2008, covered services rendered by LMFTs in Blue Cross Blue Shield of Massachusetts' behavioral health networks will be included under the Mental Health Benefit.

If you have questions about this network addition, please contact your Account Executive.

]] Benefit Exclusion

As mentioned in recent IAIs, effective 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 (such as Allegra,[®] Allegra D,[®] and 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 over the counter availability of several non-sedating antihistamine products which do not require a prescription. This includes Zyrtec[®] as recently announced by the FDA. As of March 1, 2008, benefits are no longer available for Zyrtec as it is now available without a prescription.

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 were 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 this benefit exclusion, please contact your broker or Account Executive.

]] Blue Cross Blue Shield of Massachusetts Announces Changes to the FitBlueSM Weight Management Program

As part of our on-going process of reviewing our care management programs to maximize the benefit for employers and members, Blue Cross Blue Shield of Massachusetts phased out the Blue Health CoachSM telephonic coaching component of our FitBlue weight management program, effective March 7, 2008.

To support members with weight management concerns, we will continue to offer a comprehensive suite of programs designed to provide customized, individualized support, including:

- Lifestyle coaching in worksite wellness programs
- The Go Walking program
- Online programs and health maintenance tools
- Nutrition and fitness benefits
- Weight Watchers[®] discounts.

If you have questions about this change, please contact your Account Executive.

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