

BlueBenefits Work

July 2008


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Get Active. Eat Right. Feel Better.
Want to lead a healthy lifestyle but don't know where to start?
BlueCross BlueShield of Tennessee can help provide the information

BCBST Member Newsletter Available Electronically

Last year we encouraged you and your employees to go green and switch to electronic explanations of benefits (EOB). This year we're expanding our electronic offerings to include *BlueReview*, our member newsletter along with other communications. You and your employees can help reduce waste and company costs by electing to receive all communications from BlueCross via e-mail when you log into BlueAccess at bcbst.com.

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Orthomemphis, Tabor Orthopedics Merge, Join BCBST Networks of Providers

Orthomemphis and Tabor Orthopedics have merged to form a new company called MSK Group P.C. The new group enters the BlueCross BlueShield of Tennessee P and S networks of providers effective immediately. The addition of MSK Group P.C. to the BlueCross network gives your employees more choices for health care and further solidifies our excellent network of providers across Tennessee.

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Semmes Murphey, West Tenn. Neurosciences Added to BlueCross Networks

Semmes Murphey and West Tennessee Neurosciences have rejoined the C, P and S BlueCross BlueShield of Tennessee networks of providers. West Tennessee Neurosciences rejoined the networks effective June 1 and Semmes Murphey's network participation began June 15. The addition of both groups gives your employees more neurological doctors from which to choose in the Memphis and Jackson areas.

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Deductible & Out-of-Pocket Credit for High-Deductible Health Plans

High-Deductible Health Plans (HDHP) from BlueCross BlueShield of Tennessee give you the opportunity to offer your employees outstanding, cost-effective employee benefits – whether for two employees or 2,000. With our new Embedded Deductible HDHP's, there have been recent questions regarding HDHP Deductible and Out-of-Pocket credit for groups at initial enrollment off of a January 1 effective date or for existing groups changing plans at

renewal. To help you better understand deductible and out-of-pocket credit, we have provided you the attached guide with examples of deductible and out-of-pocket credit situations.

Please contact your broker or Sales/Account Executive with any questions regarding Deductible & Out-of-Pocket Credit.

Deductible & Out-of-Pocket Credit for High Deductible Health Plans

<p>Deductible credit for new HDHP plans is standard for new groups at initial enrollment off of 1/1 (or for existing groups changing plans at renewal). Deductible amounts from a renewing BCBST plan or a prior carrier (when the information is provided to us) will be applied toward the in-network and/or out-of-network deductible. This provision only applies to the initial group enrollment. New enrollees to an existing group do not receive deductible credit.</p>	
Situation	Example
<p>Only the amount actually applied to the deductible by the prior plan in the same calendar year will be credited toward the new BCBST deductible, the member will not receive credit for deductible amount carried over from the fourth quarter of the previous year.</p>	<p>A member of a group that has switched from a PPO Plan to an HDHP Plan effective 4/1/08. The member has met \$400 of her deductible for 2008 through March 31, however \$100 of that deductible was met in fourth quarter of 2007. The amount she will receive credit for under HDHP is \$300 for 2008 under the new HDHP plan.</p>
<p>If the deductible was satisfied with the prior plan, it will not be totally satisfied with the new plan if the new plan's deductible is greater than the prior plan.</p>	<p>A member of a group that has switched from a PPO Plan that had an individual \$1,000/\$2,500 deductible and out-of-pocket for individual and \$2,500/\$5,000 family to an HDHP Embedded Plan with a \$2,500/\$4,000 deductible and out-of-pocket for individual and \$5,000/\$8,000 family effective 4/1/08. The member has met \$1,000 of her deductible and \$1,500 out-of-pocket for 2008 through March 31. Under the new HDHP Embedded plan, \$1,000 will apply to the new \$2,500 deductible and \$1,500 to the new \$4,000 out-of-pocket. The member will still have to meet \$1,500 of the deductible and \$2,500 of the out-of-pocket.</p>
<p>If the prior plan's deductible is lower than the new plan, but the member has enough out-of-pocket credit to satisfy the new limit, no additional deductible will be taken.</p>	<p>A member of a group that has switched from a PPO Plan that had a \$1,000/\$2,500 deductible and out-of-pocket and \$2,500/\$5,000 family to an HDHP Embedded Plan with a \$2,500 self-only/\$5,000 family deductible and out-of-pocket effective 4/1/08. The member has met \$1,000 of her deductible and \$2,500 out-of-pocket for 2008 through March 31 and her husband has met \$1,000 of his deductible and \$2,500 of his out-of-pocket for 2008 through March 31. Under the new HDHP Embedded plan, no additional deductible will be taken because combined the members have met \$5,000 out-of-pocket that will fulfill their new out-of-pocket.</p>

Deductible & Out-of-Pocket Credit for High Deductible Health Plans

<p>If a member is going from a HDHP plan with a Shared Deductible to an HDHP Embedded Deductible Plan or a Core PPO Plan, the individual deductible amount that each member met will apply toward the new deductible and the out-of-pocket.</p>	<p>A member of a group that has switched from a HDHP Shared Deductible Plan with a \$2,500 self-only/\$5,000 family deductible and out-of-pocket, each family member is configured with the \$5,000 deductible amount. For a family of four, the subscriber had met \$3,500 towards the family deductible, the spouse had met \$500 and one child had met \$500. Effective 5/1/08, group changed to an HDHP Embedded Deductible Plan, with no change in the deductible and out-of-pocket amounts. The subscriber's \$2,500 deductible and out-of-pocket is considered satisfied. The family out-of-pocket will show \$4,500 satisfied.</p> <p>Please note: the subscriber will show \$3,500 in his accumulator buckets for the remainder of 2008, however, he now only has to meet \$2,500. His deductible accumulator bucket is going to appear to be inflated, which can (and most likely will) cause a processor or a CSR to think we have taken too much deductible on this individual and have claims adjusted incorrectly in order to get his deductible accumulator backed down to the \$2500. (accumulator buckets work on a 1/1 to 12/31 basis, it would not start over on the 5/1 benefit change date).</p>
<p>If a member is going from self-only coverage to family coverage, the amount of deductible satisfied will apply toward the new family deductible.</p>	<p>A member has an HDHP Shared Deductible self-only coverage of \$2,500. From January 1 through March 31, he met \$1,800 deductible. He marries in March and from April 1 through December 31, has family coverage with a \$5,000 family deductible under the same plan. The family coverage plan will apply the \$1,800 deductible met by the member from January through March toward satisfying the new family deductible.</p>
<p>If a member is going from family coverage to self-only coverage, the amount of deductible satisfied for that individual only will apply on the new plan.</p>	<p>An individual has an HDHP Shared Deductible \$2,500 individual/\$5,000 family plan that covers himself and his spouse. The subscriber retires and moves to a retiree plan and the spouse has to move to self-only coverage. If under the family plan, the subscriber had met \$4,000 of the \$5,000 deductible amount and the spouse had met \$1,000 of the same deductible amount, only \$1,000 of that deductible will transfer to the spouse's new self-only coverage.</p>

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Health Coverage Required for Most Massachusetts Residents in 2009

Beginning in 2009, Massachusetts health reform will require most residents to have health insurance coverage that meets minimum creditable coverage standards, or face state income tax penalties.

While these standards do not take effect until Jan. 1, 2009, groups that renew in 2008 should take these requirements into consideration if they have Massachusetts residents as employees. Individuals who do not meet minimum coverage levels may be subject to a tax penalty for every month that they have inadequate coverage.

Most plans purchased or renewed in 2008 will extend into 2009 and should meet the new requirements in order to avoid penalties.

Requirements to Make Standard BCBST Plans Creditable:

- Any of our HSA-qualified HDHP plans with Rx coverage
- Traditional PPO plan with ALL of the following:
 - Office Visit copay or preventive copay
 - Annual deductible of \$2,000 or less for individual and \$4,000 or less for family

- Out of pocket maximums for in-network covered services of \$5000 or less for individual, and \$10,000 or less for family
- Prescription coverage (\$250 or less for individual and \$500 or less for family)
- Emergency Room services subject to deductible and coinsurance (ER copay not allowed if over \$100 and it doesn't go to out-of-pocket)
- Well Care benefits at 100 percent or office visit copay- cannot be at deductible/coinsurance
- Behavioral health coverage included
- ValuePak 2, 3 or 5

Each group may choose the benefits they offer their employees. BCBST will not automatically put Massachusetts residents into a creditable benefit plan. As you enter open enrollment, please keep this information in mind if you have employees in Massachusetts.