

## 2012 Frequently Asked Questions

**PLEASE NOTE:** Effective Dec. 1, 2009, enrollment of small businesses or individuals interested in CoverTN was suspended. However, two types of individuals may still join CoverTN during the annual open enrollment period in October:

- Eligible employees of participating employers
- Eligible spouses of subscribers

The only other time these individuals may enroll outside open enrollment is if they experience a qualifying event.

The suspension of new enrollment is due to the State of Tennessee reaching budget capacity. Current members and participating businesses **ARE NOT AFFECTED** by the suspension.

If you have any questions about your coverage, the enrollment suspension or what constitutes a qualifying event, call Member Services at 1-888-887-3224.

### CoverTN Health Plan Overview

#### What is CoverTN?

CoverTN is a Cover Tennessee program. It is a state-sponsored, limited health benefit plan designed to offer coverage where no coverage options have existed previously. CoverTN provides low-cost coverage for basic medical services to encourage regular doctor visits and preventive screenings. It serves:

- Small businesses and their employees
- Self-employed individuals
- Workers who don't have health insurance
- Tennesseans Between Jobs (This includes individuals who have experienced a recent job loss or reduction in work hours)

#### What is the role of BlueCross BlueShield of Tennessee in CoverTN?

BlueCross BlueShield of Tennessee is the health insurance company that administers CoverTN.

#### How is CoverTN different from traditional health plans?

CoverTN is a limited benefit plan and does not provide financial protection in the event of a major illness or accident. CoverTN plan benefits are limited in nature compared to traditional insurance.

For instance, CoverTN plans do not have an out-of-pocket maximum, and, therefore, do not protect against the potential of catastrophic medical costs. In other words, there is no limit to the amount of medical bills a member might have to pay for a major illness or injury, such as disease treatment or injuries sustained in a car accident. Because of this, CoverTN should not be confused with an inexpensive replacement for a traditional health benefit plan.

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### **Does CoverTN have more than one plan option? If so, what's the main difference between the plan offerings?**

CoverTN offers a choice of two plans: Plan A and Plan B. The main difference is that Plan A provides limited benefits with more benefits for prescription drugs than Plan B; while Plan B provides limited benefits with coverage for more physician office visits and a higher payment limit for hospital stays than Plan A. People with a need for more prescriptions should probably select Plan A. People who anticipate a hospital inpatient stay or multiple physician office visits should probably choose Plan B.

### **What are some of the plan specifications?**

The CoverTN plans are simple copay plans. In other words, medical services, such as physician office visits, require just a copay. There are no deductibles to be met in order to start receiving benefits, and no coinsurance liability to the member. However, annual limits on the number of visits apply to most services.

Annual maximum payments also apply.\* Once the CoverTN plan has paid \$25,000 in claims for a member's covered medical services, the member is responsible for 100 percent of his/her medical expenses until the next plan year. Members will continue to receive network discounts on their medical services and prescription drugs when they use network providers and pharmacies.

### **Does CoverTN have a pre-existing condition waiting period?**

Yes. CoverTN has a 12-month pre-existing condition waiting period. No benefits will be paid for conditions that were pre-existing during the six months prior to enrolling in CoverTN. After the member has been enrolled for 12 months, the plan will begin covering these conditions. The pre-existing condition waiting period can be shortened or waived for members with prior creditable coverage who apply within 63 days of an involuntary loss of their coverage.

### **Are these plans portable?**

Yes. Once covered, an employee may continue coverage even after leaving a job. In these cases, however, the employee would be responsible for two-thirds of the monthly premium and the state would continue to contribute one-third. And, in order to continue CoverTN, a person must live within Tennessee's borders.

The spouse's coverage is also portable and may be maintained by the spouse regardless of the employee's employment status.

### **Is CoverTN considered creditable coverage, and will a Certificate of Creditable Coverage (CCC) be issued once CoverTN is terminated?**

Yes. CoverTN is considered creditable coverage. However, if a CoverTN member has 18 or more months of creditable coverage and terminates CoverTN coverage, the member would not be eligible for access to a guaranteed issue individual policy. That's because the last coverage in place was not employer-based coverage. CoverTN is a government plan.

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### **Do CoverTN members qualify for the Health Coverage Tax Credit (HCTC)?**

No. The CoverTN program does not currently qualify or designate for HCTC.

### **What has changed about CoverTN for 2012?**

There will be no benefit or rate changes for CoverTN in 2012.

### **Other Health Insurance**

**One of the state's eligibility requirements is that a business/individual must not have existing health insurance (individual or group coverage) or must not have had any within the past six months. What is considered health insurance?**

The following are considered health insurance policies and, if in force or in force within the past six months, would make a business/individual *ineligible* for CoverTN:

- Basic medical coverage (hospitalization plans)
- Major medical insurance
- Comprehensive medical insurance
- Short-term medical policies
- Limited benefit plans
- Mini-medical plans
- Catastrophic health insurance plans with deductibles less than \$15,000
- Qualified High-Deductible Health Plans (HDHPs)

The following are **not** considered health insurance. Businesses/individuals with these types of coverage are eligible for CoverTN. It is also permissible to keep these kinds of coverage in force along with CoverTN.

- Supplemental insurance policies
- Critical illness plans (i.e., cancer insurance)
- Veteran's Administration (VA Benefits)
- Disability insurance
- Dental insurance
- Catastrophic health insurance plans with deductibles greater than \$15,000

### **Is an individual permitted to obtain other coverage once enrolled in CoverTN?**

Yes. A CoverTN member can pick up any other commercial health coverage as long as he/she remains enrolled in CoverTN. The only exception is if a member leaves a participating employer and takes the CoverTN coverage with him/her (portability). In this case, we ask the member if he/she has coverage. If the member does, then the member cannot keep the CoverTN coverage.

### **If an individual has other commercial health coverage, which plan is the primary payor?**

In cases in which a CoverTN member has other commercial health coverage, CoverTN is the secondary payor. This means claims for care or services will be sent to the individual's commercial health plan for payment before being sent to CoverTN.

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### **Are employees over the age of 65 with Medicare Part A and/or Part B permitted to enroll in CoverTN?**

No. If the employees are covered under Medicare Part A and/or Part B, they would not be uninsured and are not eligible to purchase CoverTN.

### **Would a potential member have to exhaust his/her COBRA coverage before CoverTN coverage can become effective?**

Yes. Anyone receiving COBRA benefits must exhaust those benefits in order to qualify for CoverTN.

Individuals who exhaust COBRA coverage will not have to wait until annual open enrollment in October to join CoverTN. Once their COBRA coverage is exhausted, they can move directly to CoverTN. Please note that individuals are not required to take COBRA when leaving their job in order to qualify for CoverTN.

### **Eligible Members of the Family**

#### **Are spouses eligible for CoverTN?**

Yes. Spouses may be eligible for CoverTN. To qualify, a spouse must meet these requirements:

- Age 19 or older
- U.S. citizen or qualified legal alien
- Has been without health coverage for six months or more (Exceptions may apply. To view the exceptions, refer to page 3 of the CoverTN Application Instructions.)
- Commit to pay two-thirds of the monthly premium

#### **PLEASE NOTE:**

- After enrollment, the spouse's coverage is portable and may be maintained by the spouse regardless of any changes in the employee's employment, marital or other status.
- The employer does not have to pay any part of the spouse's premium. If the employer chooses not to pay any of the spouse's premium, the employee is responsible for it.

### **If an employer has an employee married to a spouse with an individual policy, and the employee opts to be covered under CoverTN, could the spouse drop his/her individual policy to join the CoverTN plan with the employee?**

Spouses are subject to the same eligibility rules as the employee, with the exception of working more than 20 hours each week and earning \$55,000 a year or less in adjusted gross income. Employees and spouses must not have had health coverage for six months or more before applying for CoverTN.

### **Can domestic partners enroll in CoverTN?**

No. Domestic partners are not eligible.

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### **Are the children of employees eligible for CoverTN?**

No. Children are not eligible for CoverTN. However, they may be eligible for coverage under CoverKids, another Cover Tennessee program also underwritten and administered by BlueCross BlueShield of Tennessee. To find out more about CoverKids, visit [CoverTN.gov](http://CoverTN.gov) or [CoverKids.com](http://CoverKids.com).

### **Monthly Premiums**

#### **How are monthly premiums determined?**

Monthly premiums vary per member depending on age, tobacco use and Body Mass Index (BMI), which is a ratio between height and weight. Total premium costs range between \$111.58 and \$326.08 per month. This means the share of the cost for an employee at a participating employer will range between \$37.20 and \$108.70. The share of the cost for a self-employed individual, an employee of a nonparticipating employer or a Tennessean Between Jobs will range between \$74.39 and \$217.39.

#### **How are premiums paid for employees of participating employers?**

CoverTN premiums are divided three ways to make them more affordable to qualified employers and their employees. The state of Tennessee contributes one-third of all monthly premiums. The participating employer pays the remaining two-thirds through a bank draft and collects the employees' third through payroll deduction.

#### **How are premiums paid for self-employed individuals, employees of nonparticipating employers and Tennesseans Between Jobs?**

The state of Tennessee contributes one-third of all monthly premiums. Participants under these membership eligibility groups pay the remaining two-thirds of the premium. Payment may be made by check or bank draft.

To help control costs associated with credit and debit card payment processing, BlueCross BlueShield of Tennessee no longer accepts credit or debit cards for premium payments. This helps BlueCross BlueShield of Tennessee make sure a greater percentage of premium dollars is spent on care – and not administrative costs.

#### **What about the premiums of spouses? How are premiums paid for them?**

The state pays one-third of the monthly premium for spouses. The remaining two-thirds is paid by the subscriber. Participating employers are not responsible for covering one-third of the spouse's premium, but may do so if they choose. If the employer does not pay the one-third share, the employee will be responsible for it.

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### **Are participating employers required to make payment of premiums using the ACH Debit method (bank draft), or can they request a monthly paper bill?**

ACH Debit is the only option for participating employers to remit payment. To initiate this payment method, these applicants are required to complete the Participating Employer Agreement (PEA)/ACH Debit Agreement. A copy of the form may be requested by calling Member Services, toll-free, at 1-888-887-3224.

The PEA/ACH Debit Agreement form, along with other requested documents, must be mailed to:

Attn: Membership Administration – CoverTN 4.3  
BlueCross BlueShield of Tennessee  
1 Cameron Hill Circle  
Chattanooga, TN 37402

### **Would participating employers have the option of deducting premiums from their employees' payroll pre-tax, or are they required to deduct after tax?**

Employers and employees may benefit by establishing a Section 125 plan and deducting CoverTN premiums pre-tax. However, neither the state of Tennessee nor BlueCross BlueShield of Tennessee are plan administrators and, therefore, cannot provide tax advice. As such, we encourage employers and employees to consult with their tax advisors.

### **When does the premium increase for a CoverTN member who moves into another age band prior to open enrollment?**

Age band increases become effective for all members on January 1 of the following year.

### **Can CoverTN premiums be increased?**

The law that governs CoverTN allows, on an annual basis, a premium increase not to exceed 10 percent per year. **There are no current plans to increase premiums for 2012.**

## **Covered Services**

### **What services are covered?**

Covered services include:

- Inpatient and outpatient hospital services
- Emergency room visits and ground ambulance
- Inpatient and outpatient behavioral health services
- Physician visits
- Surgery
- Preventive services
- Diagnostic services, including radiology
- Urgent care
- Pathology
- Diabetic supplies, and
- Generic drugs

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In addition, CoverTN plans provide benefits for:

- Radiation and chemotherapy
- Home health skilled care
- Hospice
- Durable medical equipment (Plan A only)
- Prosthetics (Plan A only)
- Insulin
- Reconstructive breast surgery
- BluePerks® discount program

### **What health care providers participate in the CoverTN network?**

CoverTN plans feature access to more than 17,800 providers who participate in BlueCross BlueShield of Tennessee Network V. More information about the provider network is available at [www.bcbst.com/health-plans/cover-tennessee/covertn/](http://www.bcbst.com/health-plans/cover-tennessee/covertn/).

### **Are maternity benefits covered?**

No. Maternity coverage is not included as a benefit under the CoverTN plans. CoverTN members who become pregnant would remain enrolled in CoverTN but may be eligible for maternity benefits under HealthyTNBabies. For further information about HealthyTNBabies, visit [CoverTN.gov](http://CoverTN.gov) or go to the Cover Tennessee section of [bcbst.com](http://bcbst.com). Call 1-866-620-8864 for questions about HealthyTNBabies eligibility and enrollment.

### **Where can members get a copy of the CoverTN Formulary drug brochure to find out which generic drugs are covered?**

Upon enrollment in CoverTN, members are mailed a CoverTN Prescription Drug Program Guide as part of their welcome packet. They are also mailed a new guide before the beginning of each new plan year.

Members can also view the entire list of generic drugs that are covered by visiting [bcbst.com](http://bcbst.com). Here's how:

1. Go to the "self service" tab at [bcbst.com](http://bcbst.com) and select "members." Then select "cover tennessee."
2. Click "Find Pharmacy Details" in the Popular Links section.
3. Click on the "CoverTN Formulary" under the Drug Lists section at the top of the page.

Members may also call Member Services at 1-888-887-3224 to find out which generic drugs are on the list or to order a copy of the latest drug program guide.

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### **What is BluePerks®?**

CoverTN members have access to BlueCross BlueShield of Tennessee's **BluePerks** discount program. This program features discounts of up to 50 percent for some non-covered products and services, such as weight loss programs, gym memberships, LASIK vision correction surgery, vision service and eyewear, and more.

### **What happens if a member exceeds the \$25,000 annual maximum\*?**

Individuals who reach the annual benefit maximum during the year are responsible for all expenses exceeding \$25,000 until the next plan year begins. The new plan year begins annually on January 1.

Members exceeding the \$25,000 annual maximum benefit will continue to receive network discounts on medical services and prescription drugs when they use network providers or pharmacies.

It's important to know that in order to continue CoverTN coverage, members must still pay their monthly premium even after they have met the plan's annual benefit maximum.

### **Does CoverTN have a deductible?**

No. Because CoverTN is designed to provide coverage for the most needed services, the plan does not have a deductible. Members need only meet their copay requirements when receiving covered care and services.

### **Qualifying, Enrolling and Disenrolling**

**PLEASE NOTE:** Effective Dec. 31, 2009, CoverTN is no longer accepting new enrollment applications because of state budget constraints. However, the two types of individuals listed below may still join CoverTN during the annual open enrollment period in October:

- Eligible employees of participating employers
- Eligible spouses of subscribers

The only other time these individuals may enroll outside open enrollment is if they experience a qualifying event.

The following are examples of qualifying events:

- Marriage
- Death of a spouse
- Divorce or annulment
- Involuntary loss of health insurance coverage
- Spouse becoming eligible for Medicare
- Going without health insurance coverage for six months

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### **Can employees of participating employers enroll at any time?**

No. Employees may only enroll during the annual open enrollment period, which is from October 1 to 31 annually for a January 1 effective date, or within 30 days of a qualifying event.

New employees have 30 days from their first day of employment to enroll. Employees who were required to go without health coverage for six months must sign up for CoverTN within 30 days of becoming eligible.

### **What if an employee's spouse does not elect to take coverage when the employee is first eligible?**

The spouse would have to wait until the annual open enrollment period in October.

### **What if the eligible employee has an individual plan, but the spouse doesn't have coverage. Could the spouse enroll? Or, what if the eligible employee decides not to take CoverTN? Could the spouse enroll?**

No. A spouse may only enroll when an eligible employee enrolls.

### **What are the requirements for termination of coverage?**

**STEP 1:** Write a letter on employer letterhead requesting to terminate coverage. The request must be submitted 30 days prior to the termination request date in order to stop the bank draft process. For example, if an employer requests termination on March 31, then BlueCross BlueShield of Tennessee must be notified no later than March 1.

#### **To end an employee's coverage, the letter must contain:**

- A statement that the employer is terminating an employee's coverage
- The employee's name
- The employee's CoverTN member ID card number
- The employee's termination date

#### **To drop out of CoverTN as an employer, the letter must contain:**

- A statement that the employer is requesting to terminate the entire subgroup
- The employer's name
- The subgroup ID number
- The employer's termination date

#### **STEP 2:** Mail or fax the termination letter to:

Attn: Membership Administration – CoverTN 4.3  
BlueCross BlueShield of Tennessee  
1 Cameron Hill Circle  
Chattanooga, TN 37402

Fax: 1-866-636-0161

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### **Can an employee who no longer works for a participating employer keep CoverTN?**

Yes. Because CoverTN is portable, an employee who no longer works for a participating employer can keep the coverage, as long as the employee was covered under CoverTN for at least one month.

Once the employer notifies BlueCross BlueShield of Tennessee that an employee is terminating from the employer-sponsored CoverTN plan, we will bill the member directly for both the employee's third of the premium and the employer's third of the premium. The state will continue paying one-third of the premium. The employee keeps the same member ID number and ID card since the coverage is exactly the same, except the employee will now be paying two-thirds of the premium.

A CoverTN member who is billed directly has 31 days in which to make a premium payment. Failure to pay on a timely basis will result in cancellation of coverage.

### **How to Find Out More**

#### **Need more information about CoverTN?**

If you have any questions about benefits, eligibility or billing, call Member Services at 1-888-887-3224.

You can also visit [CoverTN.gov](http://CoverTN.gov) to find out more. Or go to the Cover Tennessee section of [bcbst.com](http://bcbst.com). That section includes the CoverTN Business Owner's Reference Manual. The manual is a comprehensive guide that provides participating employers with information that is important to the daily administration of their CoverTN limited benefit health plan.

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### **\*Important information on annual maximum payments:**

In order to keep premiums affordable, CoverTN health plans limit annual payments for covered medical care and services to \$25,000.

Under the Affordable Care Act, health plans cannot apply arbitrary dollar limits for coverage for certain benefits. This year, if a plan applies a dollar limit on the coverage it provides for certain benefits in a year, that limit must be at least \$1.25 million.

Health coverage, offered by CoverTN, does not meet the minimum standards required by the Affordable Care Act described above.

CoverTN coverage has an annual limit of:

- \$25,000 on all Covered Services
- \$500 on Home Health Care Services
- \$500 on Durable Medical Equipment, Prosthetics and Supplies
- \$5,000 on Hospice Care
- \$10,000 on inpatient medical and behavioral health services

And a quarterly limit of:

- \$250 on prescription drugs (generic)

This means that CoverTN health coverage might not pay for all of the health care expenses you incur. For example, a stay in a hospital costs around \$1,853 per day. At this cost, CoverTN would only pay for five days.

The State of Tennessee, on behalf of CoverTN, has requested that the U.S. Department of Health and Human Services waive the requirement to provide coverage for certain key benefits of at least \$1.25 million this year. CoverTN has stated that meeting this minimum dollar limit this year would result in a significant increase in premiums or a significant decrease in access to benefits. Based on this representation, the U. S. Department of Health and Human Services has waived the requirement for the plan until December 31, 2013. If you are concerned about CoverTN's lower dollar limits on key benefits, you and your family may have other options for health care coverage. For more information, go to: [www.HealthCare.gov](http://www.HealthCare.gov).



BlueCross BlueShield of Tennessee  
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bcbst.com

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