

Producer Bulletin



2014 Group Product Updates

Producer Communication #647

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Summary

The Patient Protection and Affordable Care Act (PPACA) signed into law in March 2010, contains comprehensive benefit changes that will affect health insurance benefit programs over the next few years. As a result of PPACA, certain changes are required to be made to our benefit plans for 2014 in order to comply with new legislation.

Details

To comply with new legislation as a result of PPACA, Capital has streamlined our current group product portfolio, keeping plans with high enrollment and growth, while removing plans with little or no enrollment. All products have been updated to include the required PPACA changes and all groups in the Small (2-50) and Mid-Market (51-99) segments will have their current products mapped to the new PPACA compliant products upon their renewal starting January 1, 2014.

New Plan Naming Convention

All of our standard plan names now include Healthy Benefits as part of the name. Medical products that contain the word 'Value' in the name designate that the plan uses the HMO narrow network (available exclusively on the Small Business Health Options Program (SHOP)) and medical products that contain the word 'Select' designate a Mid-Market (51-99) product. All plan names include the product type, i.e. PPO, HMO, PPO HRA, etc. The numbers at the end of the plan name indicate the deductible, member coinsurance and HRA funding (only for 2-50 HRA plans), if applicable.

It is important to note that the new plan names show the member coinsurance (i.e., the amount the member is responsible for).

Example 1: Healthy Benefits PPO HRA 2000.0.1500 PD

2000 = Deductible amount
0 = Member's coinsurance
1500 = Predefined Employer HRA funding amount
PD = Pediatric Dental

Example 2: Healthy Benefits Value HMO 4000.50 EX

Value = HMO Narrow Network
4000 = Deductible amount
50 = Member's coinsurance
EX = SHOP product

Example 3: Healthy Benefits PPO Select 500.20

Select = Mid-Market plan
500 = Deductible amount
20 = Member's coinsurance

SHOP (2-50) Products

Our 2014 Small Group SHOP portfolio includes 8 medical products each with a packaged Rx product (*Attachment A*). There are two PPOs, three standard broad HMO network products and three Value HMO network products.

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In 2014, SHOP is considered Employer choice, which means the employer may only select one product for their entire employee population. All of the SHOP products mirror Individual products being offered on the Marketplace to ensure a smooth transition for members of groups that may forgo group sponsored health insurance. Because of this, there is no two-tier generic copay for drugs and the formulary is selectively closed. A selectively closed formulary is one that only covers select therapy classes for non-preferred brands.

Another important difference with the products available through SHOP is employers will no longer be able to select the optional State Mandates (i.e. Act 4-coverage dependent coverage up to age 29; Act 83-extension of eligibility for students on military duty) due to the FFM not having a process in place to identify these groups. If a group wants to elect these state mandates, they must purchase coverage Off Marketplace.

The Value HMO network consists of providers located in 8 counties:

- Berks
- Lancaster
- Cumberland
- Lebanon
- Dauphin
- Northampton
- Lehigh
- Perry

Employers may select either the broad HMO network or the Value HMO; however, the employer must be headquartered in one of the 8 counties listed above to purchase the Value HMO product and members can only access participating providers within the 8 counties. There is no coverage outside of the 8 counties unless it is for Emergent or Urgent care. BlueCard or Away From Home Care is only available when using providers outside Capital's standard 21 county service area.

Small Group (2-50) Products – Off Marketplace

Our 2014 Small Group Off Marketplace product portfolio contains 27 medical and 3 Rx products. These medical products are all available without embedded pediatric dental, with a subset of the products (Platinum and Gold) offering embedded pediatric dental.

Off Marketplace small group products include PPO and HMO plans (*Attachment A*). Both the SHOP and Off Marketplace products include the changes outlined below.

- Out-of-Pocket (OOP) Limits
 - Effective with the first renewal on or after January 1, 2014, the OOP maximum on a plan may not exceed the limit of \$6,350 for individuals and \$12,700 for families.
 - The in-network OOP maximum will include all member cost share including copays, coinsurance, and deductibles for medical, prescription drug, pediatric vision and pediatric dental, if the pediatric dental is embedded in the medical.
- Pediatric Vision Coverage
 - All Small Groups (less than 51 employees) must include coverage for pediatric vision in the medical product for their members.
 - Capital BlueCross has added the same pediatric vision benefits to all of our Small Group plans on and off the Marketplace.
 - Pediatric vision services are defined as an annual eye exam plus materials for ages under 19.
- Pediatric Dental Coverage
 - All Small Groups (less than 51 employees) must cover pediatric dental services for their members.

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- Capital BlueCross offers Small Group plans Off Marketplace with and without pediatric dental coverage. For those plans that include embedded pediatric dental (Platinum and Gold), the benefit design is the same for all products.
 - Pediatric dental can also be purchased as a non-embedded ancillary product.
 - SHOP products do not include embedded pediatric dental benefits.
 - Pediatric dental services are defined as standard dental procedures and orthodontia care (medically necessary) for children under age 19.
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- Lab Services
 - Capital BlueCross has added a benefit differential for laboratory services based on place of service (i.e., independent labs vs. facility or hospital owned labs).

 - Therapy Visit Limits
 - Capital BlueCross has combined visit limits for Physical Therapy and Occupational Therapy.
 - Therapy services include both Rehabilitative and Habilitative services for Physical, Occupational and Speech Therapies.

 - Dollar Limits
 - PPACA prohibits groups from imposing any lifetime or annual limits on the dollar value of essential health benefits.
 - Capital BlueCross removed the dollar limits on Hospice, Durable Medical Equipment and Prosthetics/Orthotics.

 - Health Reimbursement Arrangement (HRA) changes – applies to off marketplace only
Due to PPACA regulations, all small group (2-50) products must meet a metal level. HRA funding and all of the other cost share amounts in the plan design directly impact the metal level.
 - The HRA funding amount, which is the amount that the employer contributes, was determined to directly impact the metal level of the product.
 - Capital has predefined the HRA funding amount for Small Groups (2-50) as plans renew beginning January 1, 2014. The new predefined funding amount is part of the naming convention on the new HRA plans as outlined above (see example 1)
 - Employers who offered an HRA in 2013 were mapped to a PPACA compliant HRA product with a deductible amount that was closest to their current deductible offering; therefore the Employer funding was an automatic change in 2014 for PPACA compliant quotes.
 - Change in funding from 2013 to 2014 should be communicated to the group's employees/members.
 - New HRA set up forms are not required to be completed for any mapped automatic changes from a 2013 HRA product to 2014 a PPACA compliant HRA product unless other changes are made to the HRA product being offered.
 - New HRA set-up forms have been created for the 2-50 small group segment (*Attachment D*) and Mid Market 51-99 segment (*Attachment E*).

A subset of the Small Group Off Marketplace products is also available through *MyCoverage Selector*.

Mid-Market (51-99) Products

Our 2014 Mid-Market product portfolio contains 23 medical and 3 Rx products. These medical products consist of PPO and POS plans (*Attachment A*) and include the changes listed below.

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- Out-of-Pocket (OOP) Limits
 - Mid-Market groups are subject to the same OOP maximum as Small Groups. Effective with the first renewal on or after January 1, 2014, the OOP maximum on a plan may not exceed the limit of \$6,350 for individuals and \$12,700 for families.
 - The in-network OOP maximum will include all member cost share including copays, coinsurance, and deductibles for medical and prescription drug.
- Dollar Limits
 - PPACA prohibits groups from imposing any lifetime or annual limits on the dollar value of essential health benefits.
 - Capital BlueCross removed the dollar limits on Hospice, Durable Medical Equipment and Prosthetics/Orthotics.

A subset of the Mid- Market products is also available through *MyCoverage Selector* and for the ASO Small Business segment.

A new product, PPO 2000.20, has been added to the Mid-Market segment for effective dates beginning with 1/1/2014. This product offers a \$2000 deductible and 20% coinsurance. However, the office visits are limited to 10 combined visits for PCP and Specialist visits. Also, there is a combined 10 visit maximum for Therapy services (i.e. PT, OT, ST). This product is not available through *MyCoverage Selector* or ASO Small Business.

Large Group (100+)

Our 2014 Large groups continue to be able to customize any of our benefit options as they do today. Large groups are subject to certain PPACA requirements.

Pharmacy Products (Small Group 2-50 & Mid-Market 51-99)

Three standard prescription drug options (Rx \$0, Rx \$50 and Rx VBP) are available for the Small Group and Mid-Market segments. For Off Marketplace Small Group, the drug plans can generally be paired with any of the Small Group Off Marketplace products and still maintain the metal level of the medical product. However, the HMO products have an embedded Rx plan design and in the Small Group segment, the PPO + Rewards product can only be paired with the Rx VBP product. (*Attachment A*). The chart below outlines the Rx plans at a high level.

	Rx \$50	Rx \$0	Rx VBP
Retail (preferred generic/ non-preferred generic/ preferred brand/ non-preferred brand)	\$4/\$20/\$40/\$65	\$4/\$15/\$45/\$70	\$6/\$20/\$40/\$65; VB Drugs \$3/\$10/\$20/\$37.50
Mail Order (preferred generic/non-preferred generic/preferred brand/non-preferred brand)	\$10/\$50/\$100/\$163	\$10/\$38/\$113/\$175	\$15/\$50/\$100/\$163; VB Drugs \$6/\$20/\$40/\$65
Specialty Rx	\$10/\$50/\$100/\$163	\$10/\$38/\$113/\$175	\$15/\$50/\$100 / \$163
Mandatory Generic (including vitamins)	Y	N (Restricted)	Y
Lifestyle Rider	N	N	N
RX OON Benefit (for Small Group only; Mid-Market is combined INN and OON with the	Separate Rx deductible: \$50 ind/\$100 family Rx OOP: \$10,000 ind/\$20,000 family	Separate Rx deductible: \$5,000 ind/\$10,000 family Rx OOP \$10,000 ind/\$20,000 family	Separate Rx deductible: \$5,000 ind/\$10,000 family Rx OOP \$10,000 ind/\$20,000 family

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Renewals and Proposals

Existing products will no longer be available at the group's first renewal in 2014; therefore, each existing product for Small Group, Mid-Market, ASO Small Business, MyCoverage Selector, CIT, LVC, Dental and Vision as well as Rx was mapped to the closest PPACA 2014 compliant product for that segment. Renewals will reflect the new 2014 products as well as 3 alternative product options.

Both Renewals and Proposals were updated to include information about the PPACA changes.

Highlight Sheets

The highlight sheet format was revised to include the Rx, embedded pediatric vision, and embedded pediatric dental benefits, if applicable. Since the highlight sheets now contain a high-level overview of all applicable benefits, it is very important to pay attention to the highlight sheet name to ensure you are pulling the correct benefit package. The highlight sheets also note that a complete list of benefit exclusions, which may impact the availability of the coverage, are contained in the Certificate of Coverage.

Highlights have been completed and are available when doing a quote on Sales360° by choosing the Highlight Sheet template on the quote proposal tab. They will soon be made available on Producer Tools.

The 2014 Group Product Training presentation (*Attachment B*) has been finalized and will also be available on Producer Tools for reference. Collaterals that require changes due to the new product names and benefits are in the process of being updated and will be available in the near future. Please find attached is a FAQ document (*Attachment C*), which is a compilation of all the questions received during the onsite trainings and webinars.

Attachments

- **Attachment A** – 2014 Group Product Comparison Grid
- **Attachment B** – 2014 Group Product Training Presentation
- **Attachment C** – 2014 Group Product FAQ
- **Attachment D** – HRA Administration Form Small Group 2-50 (C384)
- **Attachment E** – HRA Administration Form Mid Market 51-99 (C430)

Questions

Contact your Preferred Agent with questions. Thank you.