



INDIVIDUAL MARKET UPDATE

07/25/2014

DOMESTIC PARTNER ENDORSEMENT

Highmark Blue Cross Blue Shield Delaware is now permitting eligible same sex/opposite sex domestic partners to enroll in a single health care policy. This expanded enrollment option was effective on March 1, 2014 and builds upon the Delaware-mandated coverage of civil union partners (2012) and same sex marriages (2013).

This option applies to all health care reform individual market members*, and all guarantee issue and medically underwritten individual market members, grandfathered and non-grandfathered.

We are mailing letters to members regarding this endorsement. Health care reform members will have 60 days from the date on the letter to request a change to coverage effective the first of the month following their request.

Newly eligible dependents in medically underwritten plans can apply to be added to an existing policy. Certain medical underwriting requirements apply. If both parties are already enrolled under two separate medically underwritten policies, they may keep these policies or may have the option to combine policies.

Attachment: Copy of the letters and Talking Points regarding this endorsement are attached to this Blast.

*Except catastrophic plan members who currently only have individual coverage

www.Highmarkbcbsde.com

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Same Sex/Domestic Partner Endorsement Q&As

Internal Use Only

Who is receiving this Letter and Endorsement?

All Individual Market contract holders in Pennsylvania and Delaware.

Why is Highmark allowing same sex spouse and same sex/opposite sex domestic partners to enroll in a Highmark Individual plan?

Highmark is now permitting eligible same sex spouses and same sex/opposite sex domestic partners to enroll in a health care policy together to meet the diverse needs of the communities we serve and where we do business. Our mission is to make sure that high-quality health care products are available to all individuals in the community.

When does this option become effective?

This option was effective for applications and dependent change requests starting March 1, 2014.

Who is eligible to enroll under this expanded option?

This option applies to all health care reform individual market members (except catastrophic plan members because they currently only have individual coverage) and all medically underwritten individual market members (grandfathered and non-grandfathered).

However, members who purchased Highmark plans on the Marketplace and who marry or enter a domestic partnership as defined in the Endorsement are eligible, by notifying us within 60 days of that event, to request that a dependent be added to their existing policy. They can notify us by visiting Healthcare.gov to request addition of their dependent(s). Coverage for the added dependent will be effective the first of the month following the request.

For on-exchange, couples who have been married or in a domestic partnership for longer than 60 days before the mailings can enroll their eligible spouses or domestic partners during open enrollment beginning on November 15, 2014, for coverage effective on January 1, 2015. Unfortunately, CMS has not recognized a separate SEP that would apply to these individuals for purposes of Marketplace coverage.

Are there any individual plans that are not impacted by this expanded option?

This option does not apply to Short Term Blue members.

Who is eligible to enroll as a spouse?

Spouses include members of a legally valid existing marriage between persons of the opposite sex or between persons of the same sex when the marriage took place within a state where such marriages are lawful and where the law was in effect at the time of the marriage.

Who is eligible to enroll as a Domestic Partner?

Domestic partners include members of a domestic partnership consisting of two unmarried partners who meet one of the following criteria:

- 1) each partner has registered with a domestic partner registry in effect in the municipality/governmental entity within which the domestic partner currently resides or
- 2) who meets the definition of a domestic partner as defined by the state or local government where the individual currently resides or
- 3) who meets all of the following:
 - Is unmarried, at least 18 years of age, resides with the other partner and intends to continue to reside with the other partner for an indefinite period of time
 - Is not related to the other partner by adoption or blood
 - Is the sole domestic partner of the other partner and has been a member of this domestic partnership for the last six months
 - Agrees to be jointly responsible for the basic living expenses and welfare of the other partner
 - Meets (or agrees to meet) the requirements of any applicable federal, state, or local laws or ordinances for domestic partnerships which are currently enacted, or which may be enacted in the future, for the duration of the domestic partnership

How is this different from Common Law Marriage?

Common law marriage status is not the same as domestic partner status. Common law marriage is a type of marriage recognized by law in some jurisdictions, without a ceremony and without a license. Act 144 of 2004 abolished common law marriages entered in Pennsylvania after January 1, 2005. Act 144 preserves the legal status of any common law marriage, entered in Pennsylvania or any other state that recognizes common law marriages, on or prior to January 1, 2005. These common law marriages remain valid and legal and can be terminated only by a court decree of divorce. Nothing in Act 144 affects domestic partner status. Therefore, to the extent domestic partner coverage is offered, individuals may continue to be enrolled in Highmark coverage even if the domestic partnership was entered into in Pennsylvania after January 1, 2005.

Can children be added as a dependent to a medically underwritten or health care reform policy?

Children of the domestic partner or same sex spouse shall be considered for eligibility purposes as if they were the children of the member, as long as the domestic partnership/marriage exists.

How are benefits impacted when two current members are combined under one policy?

For members who are combining two existing policies into one policy, Highmark will accumulate their deductibles and out-of-pocket amounts toward their new family deductible and out-of-amounts for their combined policy effective March 1 or, if later, on the effective date of their family policy.

QUESTIONS REGARDING ACA POLICIES

If a member purchased a Highmark individual plan on the Health Insurance Marketplace, can the member add a same sex spouse or same sex/opposite sex domestic partner?

Yes. Members who purchased Highmark plans on the Health Insurance Marketplace can add a same sex spouse or same sex/opposite sex domestic partner.

However, members who purchased Highmark plans on the Marketplace and who marry or enter a domestic partnership as defined in the Endorsement are eligible, by notifying us within 60 days of that event, to request that a dependent be added to their existing policy. They can notify us by visiting Healthcare.gov to request

addition of their dependent(s). Coverage for the added dependent will be effective the first of the month following the request.

For on-exchange, couples who have been married or in a domestic partnership for longer than 60 days before the mailings can enroll their eligible spouses or domestic partners during open enrollment beginning on November 15, 2014, for coverage effective on January 1, 2015. Unfortunately, CMS has not recognized a separate SEP that would apply to these individuals for purposes of Marketplace coverage.

How do members add a dependent to Highmark plans purchased on the Marketplace?

Members who purchased Highmark plans on the Marketplace and who marry or enter a domestic partnership as defined by the Endorsement are eligible, by notifying us within 60 days of that event, to request that a dependent be added to their existing policy by visiting Healthcare.gov. Coverage for the added dependent will be effective the first of the month following the request.

Couples who have been married or in a domestic partnership for longer than 60 days before the mailings can enroll their eligible spouses or domestic partners during open enrollment beginning on November 15, 2014, for coverage effective on January 1, 2015. Unfortunately, this does not allow for an SEP due to the notification requirements set by CMS.

If members purchased a Highmark health care reform individual plan directly from Highmark (not on the Marketplace), can they add a same sex spouse or same sex/opposite sex domestic partner?

Yes. Members who purchased a Highmark health care reform individual plan directly from Highmark (not on the Marketplace) can add a same sex spouse or same sex/opposite sex domestic partner.

How do members who purchased a Highmark health care reform individual plan directly from Highmark (not on the Marketplace) request that a dependent be added to their existing policy? Members who purchased Highmark plans off the Marketplace can request that a dependent be added to their existing health care reform policy by submitting a change application. If they want to shop for a totally new off Marketplace product, they can complete a Special Enrollment Form, but deductibles and out-of-pocket amounts will start over. All changes will become effective on the first of the month following submission of a completed change form for all requests received from the first to the fifteenth of the month. Dependent change forms received after the fifteenth of the month will be effective the first of the second month.

When two current members are combined under one policy, are invoices also combined?

For HCR members, they will receive one invoice for their combined policy as soon as the membership has been updated and invoices mailed.

QUESTIONS REGARDING MU POLICIES

Are current medically underwritten plan members eligible to receive this benefit?

Yes. Members in medically underwritten plans are eligible to take advantage of this opportunity.

How do members in a medically underwritten plan add a dependent to their policy?

- Members in medically underwritten plans can request that a dependent be added to their existing policy by calling Customer Service at the number on the back of their ID card.
- If a newly eligible spouse/partner applies to be added to an existing policy and is approved at the same tier as the existing policy, the premium will be determined based on the age and gender of the older spouse/partner. If the dependent is approved at a different tier, the policy will be rated based on the higher tier of either partner or spouse. In this case, the member and applicant should consider whether it would be more cost effective to maintain separate policies. This follows the current business process for adding dependents.

- If two existing medically underwritten policyholders request to be combined under one policy, the older spouse/partner becomes the contract holder and the contract will be rated based on the highest tier of either partner or spouse. In this case, the members should consider whether it would be more cost effective to continue with separate policies.

How are premiums determined when a current member adds a spouse or domestic partner to their policy?

For MU members, the billing team will be loading new rates for same gender members for July release that is expected to be included for August invoices. The rates will support Same Sex (SS) Spouse/Partner, SS Parents/Child, and SS Parents/Children sets.

MU members also have the option to continue coverage as individuals under separate contracts corresponding to their individual tiers if this is more cost effective due to the member's ages and medical histories.

When two current members are combined under one policy, are invoices also combined?

For MU members, due to the number of updates required for our MU billing systems, members who request addition of a spouse/partner dependent may continue to receive two separate invoices until July/August time frame. Billing systems should be updated in July for August invoices.

<Name>
<Address>
<City, State, Zip

July 2014

Dear Member:

Highmark Delaware's mission includes making sure that high-quality health coverage is available to all individuals in the communities we serve. To meet the diverse needs of individuals, Highmark Blue Cross Blue Shield Delaware is now permitting eligible same sex/opposite sex domestic partners to enroll in a single health care policy. This expanded enrollment option was effective on March 1, 2014 and builds upon the Delaware-mandated coverage of civil union partners (2012) and same sex marriages (2013).

The formal Endorsement to your Agreement is included with this letter. Please refer to the Endorsement to determine who is eligible to enroll under this expanded option. Members will have 60 days from the date on this letter to request a change to coverage effective the first of the month following their request.

If you have any questions or you would like to make a change to your policy based on this Endorsement, please call your broker or the Customer Service phone number on the back of your member ID card, and a representative will assist you.

Please keep this Endorsement with your other policy information for future reference.

Sincerely,

Individual Products

Enclosure

<Name>
<Address>
<City, State, ZIP>

July 2014

Dear Member:

Highmark Delaware's mission includes making sure that high-quality health coverage is available to all individuals in the communities we serve. To meet the diverse needs of individuals, Highmark Blue Cross Blue Shield Delaware is now permitting eligible same sex/opposite sex domestic partners to enroll in a single health care policy. This expanded enrollment option was effective on March 1, 2014 and builds upon the Delaware-mandated coverage of civil union partners (2012) and same sex marriages (2013).

The formal Endorsement to your Agreement is included with this letter. Please refer to the Endorsement to determine who is eligible to enroll under this expanded option.

Newly eligible dependents can apply to be added to your existing policy. Please remember that certain medical underwriting requirements apply.

If both parties are already enrolled under two separate medically underwritten policies they may keep these policies. However, combining policies may also be an option.

Adding a newly eligible dependent or combining two existing policies may be a good option under certain circumstances. For assistance in determining if this opportunity is to your advantage in controlling your health care costs, please call your broker or the Customer Service phone number on the back of your member ID card.

Sincerely,

Individual Products

Enclosure