



PRODUCER NEWS

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#1-2004

January 2, 2003

NORTHWEST PENNSYLVANIA EMPLOYER'S PROGRAM (NWPEP) CONVERTING TO INDEPENDENT AGENT PROGRAM (IAP) EFFECTIVE APRIL 1, 2004

Dear Highmark Appointed Agency:

Since its introduction on January 1, 2000, the Northwest Pennsylvania Employer's Program (NWPEP) has been a great success growing to over 2200 employer groups in the fifteen counties of northwestern Pennsylvania. As with all of Highmark Blue Cross Blue Shield's small group programs, NWPEP will have the same plan designs as the Independent Agent Program (IAP).

The logical next step is to combine NWPEP and the IAP, thus providing all small business owners in the 29 counties of western Pennsylvania with Highmark programs [that offers them quality](#), value and choice. What this means to existing NWPEP customers and prospective Highmark clients is outlined below.

Existing NWPEP Clients

Effective April 1, 2004 we will be modifying the benefit programs of existing NWPEP clients to match the benefit programs offered by the IAP. Please refer to the table below to determine how each NWPEP benefit program will be modified.

Existing NWPEP Program	Benefits Modified To IAP Program
DirectBlue	DirectBlue
DirectBlue Basic	DirectBlue Basic
DirectBlue Value Plan	DirectBlue Value Plan
SelectBlue High Option	SelectBlue High Option
SelectBlue Standard	SelectBlue Basic
PreferredBlue PPO	PPO Blue
CommunityBlue Basic	CommunityBlue Low Cost
CommunityBlue Direct	CommunityBlue Direct
CommunityBlue Direct Value Plan	DirectBlue Value Plan

Comprehensive	Comprehensive \$750/\$1000
Traditional High Option	ClassicBlue Traditional
Traditional Standard Option	ClassicBlue Traditional
Out of Area Comprehensive	Out of Area Comprehensive \$750/\$1000
Out of Area PPO	Out of Area PPO

Attached are IAP benefit summaries that outline the specific benefit changes that will become effective April 1, 2004. Although we will be communicating these benefit changes directly to existing NWPEP customers, we urge you to discuss these changes and their impacts with your NWPEP clients. April 1, 2004 IAP renewal rates will be developed for your existing NWPEP clients. These renewal rates will be delivered to you in mid-January.

Prospective Highmark Customers

When quoting Highmark to prospective customers the IAP now has three renewal cycles. Groups requesting January 1st, February 1st, or March 1st effective dates will use the IAP January rates and will renew every January thereafter. Groups requesting April 1st, May 1st, or June 1st effective dates will use the IAP April rates and will renew every April thereafter. Groups requesting July 1st through December 1st effective dates will use the IAP July rates and renew every July thereafter. When quoting Highmark to prospective small group customers please use the Producer Portal of the Highmark website. You can access the Producer Portal at www.highmarkbcbs.com.

Highmark's guarantee issue approach (i.e. without regard to medical history) to small business health care, coupled with our strong financial rating and value added services such as Blues-On-Call and My Blue Link make Highmark the industry leader for Small Group Employers looking for quality, value and choice.

Please share this important information with your sub-producers and office staff as appropriate. Should you have any questions concerning the information in this Producer News, please contact your Highmark Client Manager.

Sincerely,



John A. Cokley
Manager, Producer Performance