

Health Care Reform

New Government Plan Would Weaken Private Insurance and Stifle Innovation

Momentum is building for national health care reform. President Obama has continued to emphasize the need for action this year to rein in health care costs and expand health care coverage. Democratic leaders of the U.S. House of Representatives and Senate are working toward introducing a health care reform bill by the summer and getting congressional approval by the end of 2009.

Many policymakers have suggested that health care reform include a new government-run health plan that would compete with private insurers. The plan would be modeled after Medicare, with the federal government administering the plan and determining benefits, premiums, and payments to physicians and hospitals.

The creation of a government-run option could threaten the viability of private coverage and curb the innovation in the system that is necessary to control escalating costs and improve the quality of care.

➤ **A New Government Plan Would Weaken Employer Coverage Through Cost-Shifting**

A recent study by Milliman Inc., a global actuarial and consulting firm, shows that annual employer premiums are \$1,788 per family higher today because providers shift costs to the privately insured to compensate for underpayments by Medicare and Medicaid. A new government plan would exacerbate this problem, causing employer premiums to further increase and employers to drop coverage. A report by the Commonwealth Fund estimates that over 100 million people would immediately shift to the new government plan. If that were to occur, two in three Americans would then be enrolled in a government plan.

➤ **Innovation In Health Care Delivery Will Be Stifled**

Rising health care costs can only be addressed through reform that increases quality and enhances value in today's health system. A robust private insurance system is critical to achieving these needed delivery system reforms because private plans are free to innovate. As with traditional Medicare, a government run plan would be hampered by political pressure from providers, legislators, and patient advocates. For example, the government did not cover outpatient prescription drugs under traditional Medicare until 2003. Private plans have covered prescription drugs for several decades. In addition, Medicare is just now looking at ways to control the skyrocketing costs of imaging services such as MRIs while private plans have been successfully using management tools to control costs and improve quality for years.

Our Senators and Representatives need to hear from all of us before they enact critical changes to the current health care system.

Inside This Issue:

Health Care Reform:

- A New Government Plan 1
- **Make Your Voice Heard** 2
- CMS Alert to Employers 2

Individual Product News:

- Enhancements Made to Agency Activity Reports 2
- \$500 Deductible Option Added to DirectBlue 3
- Shut Down of CompleteCare to New Members 3
- Explanation of Family Deductible Is Required When Selling Family Coverage 3
- PID Requires Customers Receive Outline of Coverage Before Enrolling 3
- Submission of Childhood Immunization Medical Records 3
- Accolades for the 4

Make Your Voice Heard

As a Producer, you know that the private sector must be part of the solution if America wants innovation to drive the future of health care. We need to let Senators Arlen Specter and Robert Casey, Jr. know that a new public plan will create a significant cost shift from the public to the private sector, and a declining private health insurance sector will stifle innovation in health care delivery.

To learn more about this issue and to contact your legislators directly, you can go to the Legislative Advocacy page of the National Association of Health Underwriters (NAHU) website at <http://capwiz.com/nahu/home/>

Or if you prefer, you can go directly to the Senator's websites:

To contact Senator Arlen Specter via email, click here:

<http://specter.senate.gov/public/index.cfm?FuseAction=Contact.ContactForm>

To contact Senator Robert Casey, Jr. via email, click here:

<http://casey.senate.gov/contact/>

To call their offices, the numbers are as follows:

Senator Arlen Specter: (202) 224-4254

Senator Robert Casey, Jr.: (202) 224-6324



*Make Your
Voice
Heard!*

CMS Alert to Employers

A copy of the alert issued to employers by CMS regarding the Medicare, Medicaid and SCHIP Extension Act of 2007 is attached to the email containing this publication for your reference. To view additional information issued by CMS regarding Section 111 reporting, log onto the CMS Web site at www.cms.hhs.gov/mandatoryinsrep/

Individual Product News

Enhancements Made to Agency Activity Reports

To improve the quality of the information provided to Producers regarding the status of their medically underwritten applications, the following enhancements have been made to the Agency Activity Report:

- For two-party or family applications, the name of each individual family member will now be listed on the Agency Activity Report.
- The "Rating Tier" will only be listed when the review of the application has been finalized and there is either an approval or a counteroffer decision. The rating tier listed will be the rating tier for which the individual is approved or the rating tier being offered.
- If an individual is denied because they have not responded to our request for additional clinical information, the Status Code "IC - Insufficient Medical Information" will be listed as the finalized code rather than "D - Denied." The "IC" decision code will generate a refund of any premium paid.

\$500 Deductible Option Added to DirectBlue

Remember that your clients now have another choice when determining which of the Highmark direct pay products best suits their health care coverage needs. As of January 1, 2009, DirectBlue now includes a \$500 individual deductible option along with a \$1,500 family deductible.

Benefits, coinsurance and copayments, out-of-pocket maximums, benefit period maximum and lifetime maximum for the \$500 DirectBlue deductible option are all the same as the \$250 deductible option.

The online application has been revised to include this new deductible option.

A revised rate sheet with rates for the \$500 deductible option is available via the online Producer Order Form. A PDF of the rate sheet is attached to the email accompanying this Producer News. (21873 (10/08) – DirectBlueRate Sheet)

Shut Down of CompleteCare to New Members

Highmark will no longer accept new member applications for CompleteCare, effective October 1, 2009. Current members will retain their CompleteCare coverage and will, if necessary, also be able to add new family members (i.e., a spouse or newborn/adopted child) under their contracts.

New enrollment in CompleteCare will no longer be available for a number of reasons.

- DirectBlue now offers both \$250 and \$500 deductible options, the same deductible options as CompleteCare.
- DirectBlue and CompleteCare premiums are similar but DirectBlue offers a 90% coinsurance versus CompleteCare's 80% coinsurance.
- DirectBlue provides out-of-network coverage with no claim forms to file. CompleteCare members who use non-participating providers may be balance-billed and have to file their own claims for services from those providers.
- DirectBlue pays 100% of the negotiated prescription drug price (after a \$100 drug deductible) while CompleteCare pays only 80% of covered drug costs (after plan deductible).

Explanation of Family Deductible Is Required When Selling Family Coverage

To best serve your clients who are purchasing family coverage, you must always provide a thorough explanation of how the family deductible works. This is important because the PPOBlue family deductible accumulates in a different manner than the CompleteCare and DirectBlue deductibles, as follows:

PPOBlue Family Deductible

For an agreement covering more than one (1) family member, the ENTIRE family deductible must be met (within a benefit period) before Highmark will pay for covered services for ANY family member. The family deductible can be satisfied by an individual family member or a combination of one or more family members.

CompleteCare and DirectBlue Family Deductibles

For an agreement covering more than one (1) family member, each covered individual must meet his/her individual deductible (within a benefit period) before Highmark will pay for covered services for that individual. No individual member may satisfy the entire family deductible. Only after three (3) individual family members have satisfied their deductibles will the deductibles for all remaining family members also be considered to have been satisfied.

PID Requires Customers Receive Outline of Coverage Before Enrolling

The Pennsylvania Insurance Department (PID) requires that all applicants receive an Outline of Coverage prior to applying for a health insurance product.

Outlines for the Highmark medically underwritten products are available online, during the application process, after entering an applicant's personal information and confirming the quote, or, a supply can be ordered for each program via the Producer Online Ordering Form.

Submission of Childhood Immunization Medical Records

While Highmark does require submission of medical records with applications under certain circumstances, **it is not necessary to fax records of childhood immunizations to the Highmark Underwriting Department.**

All that is needed is to indicate on the application that all recommended immunizations for a child's age group have been administered. If the child has not received all recommended immunizations, the omission should be noted with a reason. The name of the child's physician and contact information as well as the date of the child's last appointment should be included.

The applicant's and producer's signatures on the application are required. Those signatures serve as confirmation that all requested information has been accurately disclosed.

Accolades for the Producer Service Unit

The new Producer Service Unit has received "rave reviews" from the many producers who have had a need to call. One such review came from Crystal Manning of JRG Advisors. "I called the broker number..." said Manning. "I just want to tell you how wonderful everyone is - every time I call! They go way beyond basics and go through old records to really research the problem. Thank you for having this great resource for us to help the members!"

"The Producer Service Unit, a specialized unit in the Johnstown Member Service area, has done a great job with this initiative," said Ken Cikovic, director, Individual Markets. "The prompt and efficient service they provide is making it easier than ever for producers to successfully work with Highmark."

The unit was established to provide producers with quick and accurate answers to questions concerning most Group and Direct Pay Individual Product topics. While **sub-producers are still required to direct all questions (including commissions and appointments) to their General Agencies**, General Agencies can call the new Service Unit when they have questions.

Please note that you should use the new Producer Line for questions and issues regarding claims or benefits, Direct Pay application status, etc. It can be used for all except the following:

- General Agency inquiries regarding commissions: email commissionadminwest@highmark.com
- General Agency inquires regarding appointments: email produceraffairswest@highmark.com
- Use current phone number for inquiries about Group Membership billing and enrollment issues.
- Continue to call 1-800-652-9459 for inquiries about Senior Markets (SecurityBlue, FreedomBlue, BlueRX).

The Producer Service Unit can be reached by General Agencies at 1-866-602-1248, Monday through Friday, 8 a.m. to 5 p.m.

If you have any questions concerning topics in this *Producer News*, please contact your Account Manager.

Sincerely,



Reginald E. Brown
Director, Producer Affairs, West

Attachments: 2