

July 17, 2009

Issue 20-2009

Product News

Healthcare Reimbursement Account

Highmark's integrated HRA – Healthcare Reimbursement Account – continues to be very popular with smaller employers. They like the convenience and premium savings BlueAccount HRA offers and the fact that it helps their employees “have a greater hand in their health.”

As more groups move to these and other benefit designs that include increased employee cost-sharing, more health care providers are using tools available from Highmark to determine how much their patients owe out of their own pocket. That makes it possible, then, for providers to collect payment at the time services are received.

Members with a BlueAccount HRA are able to use the funds in this account to pay for eligible services they receive before their deductible is met. Depending on how it's structured, a BlueAccount HRA can even help members avoid paying money out of their own pocket when they receive health care services. As a relatively new program, however, BlueAccount HRA has presented some challenges as providers and members get used to this different way of paying for medical care.

To make the BlueAccount HRA easier for members to use, Highmark has developed a number of communications tools. For example, when clients initially purchase PPOBlue with an integrated HRA, you can provide them with a customized, one-page HRA Quick Reference Guide that provides an overview of how their HRA works. It also provides valuable details, such as:

- The deductible amount
- How much of the deductible the employer is funding via the HRA
- How much the member is responsible to pay before the deductible is met
- Whether the BlueAccount HRA or the member pays first before the deductible is met ... or whether each expense is shared between the HRA and the member.

You can access the HRA Quick Reference Guide at www.highmarkbcbs.com. Log in, and click the "Resources" tab. Under "Sales Materials" click on "Forms & Applications" and choose "Member Communication - Small Group HRA."

In addition, we've developed a new tool that employers can use to communicate directly with their members who have a Blue Account HRA. Available on the Employer Portal is a Consumer Communications Toolkit. This easy-to-understand text can be used by employers to develop a memo or e-mail that reminds employees about their BlueAccount HRA, how it works and tips on using it most effectively. To access the text, employers log in to www.highmarkbcbs.com and click on the "Resources" tab and select the "Consumer Communications Toolkit" link. Then access "Blue Account" and select "Blue Account HRA."

Please share this information with your clients who currently have an integrated HRA as well as any clients that are considering this option. For more information, contact your Highmark Client Manager.

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Highmark's HRA continues to be very popular with smaller employers

CHIP Premium Changes for Highmark Members

Effective October 1, 2009, Highmark CHIP members in the Low-Cost and At-Cost programs will have higher premiums. Highmark has been subsidizing the premiums approved by the Pennsylvania Insurance Department from 59 percent to 78 percent. It is no longer financially feasible to continue subsidizing the CHIP premiums at this level. This rate change is independent of other State CHIP contractors who may or may not be changing their rates at this time. If members need help understanding the changes, they may call the CHIP/adultBasic Eligibility Unit toll free at 1-800-543-7105.

The rates effective October 1, are as follows:

	Low Cost 1	Low Cost 2	Low Cost 3	At Cost CHIP
One Child Enrolled in Family				
	\$45.42	\$63.59	\$72.68	232.32
Two Children				
	\$90.84	\$127.18	\$145.36	464.64
Three or More Children				
	\$136.26	\$190.77	\$218.04	\$696.96

Government Mandates

MSP 111 - Accounts to Receive Employee Count Form

Various laws require that we periodically collect employee count information from groups that contract directly with us or indirectly through an association or other multi-employer plan. In order to comply with these laws, it is very important that we have accurate information. Therefore, in a few weeks we will mail the attached brief, Employee Count Form to all Highmark Accounts. The Accounts will be asked to complete the form and return it to us by FAX or in the return envelope that will be provided.

Medicare Secondary Payer Section 111

One of the main reasons for the employee count is to comply with the requirements of Section 111. The federal government has specific regulations regarding the coordination of benefits for employees who have group health care coverage and are also eligible for Medicare. These regulations vary based on:

- The size of the employer (number of employees)
- Whether the employee is eligible for Medicare based on age or a disability

In most cases, the employer plan is primary – or “pays first.” There are two exceptions to this general rule:

- Medicare is primary for active employees age 65 and older working for companies with fewer than 20 full and/or part-time employees. This applies for employers in a multi-employer plan only if none of the participating employers has 20 or more employees. [Small employers in a multi-employer plan in which at least one employer has 20 or more full and/or part-time employees may qualify for the “Small Employer Exception” with respect to specific individuals entitled to Medicare on the basis of age if the exception is approved in writing by the Centers for Medicaid and Medicare Services (CMS).]
- Medicare is primary for disabled employees working for companies with fewer than 100 employees. This applies for employers in a multi-employer plan only if none of the participating employers has 100 or more employees.

What Highmark Needs

In order to timely and accurately process claims for Medicare-eligible members, we need to know the appropriate Employer Identification Number or Tax Identification Number and the total number of employees in each group account. For this purpose, the employee count should include all employees under a common ownership or corporation who are subject to FICA (social security) taxes – or would be if the employer were not otherwise exempt from FICA taxes. For common ownership or corporation purposes, in general, two or more individuals or corporations are considered to be separate employers under Internal Revenue Code § 52(a) or (b) if they file separate income tax returns, and a single employer if they file a consolidated tax return.

The count should also include individuals employed:

- Locally and out of the area
- Full-time, part-time, intermittently and/or on a seasonal basis

If Accounts Don't Respond

The cover letter that accompanies the Employee Count Form explains the purpose of the count and emphasizes the importance of responding on a timely basis. Accounts that don't respond will be sent a follow-up request, reminding them of the importance of completing the form. If an Account fails to provide the information, Highmark will have no choice but to take appropriate action because such failure places the Account and /or Highmark at risk for the imposition of fines or penalties.

How you can help

If your clients contact you with questions about the Employee Count Form, please encourage them to respond on a timely basis. If they have additional questions, please refer them to the Centers for Medicare and Medicaid Services (CMS) Web site, www.cms.hhs.gov and search for Medicare Secondary Payor.

Thank you for your support with this important effort.



If you have any questions concerning this issue of Producer News, please contact your Highmark client manager.

Sincerely,

Reginald E. Brown
Director, Producer Affairs, West

