

## eBDS Update:

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In the July 2, 2009, issue of *Producer News*, we informed you about the decisions that had been made at that point regarding transitioning eBDS functions to Highmark and HM Benefits Administrators, a third party administrator that is part of HM Insurance Group.\*

We want you to know that eBDS has started to communicate more specific information to Highmark associations and other employer groups for which it provides group billing and COBRA services, which will transition to HM Benefit Administrators. Here is the updated information you should be aware of:

- Current service delivery models will remain in place for eBDS clients throughout the transition into 2010. Continued assessments will determine how the greatest value will be delivered to customers in the new environment. As changes to service are determined, they will be communicated to you and your clients in a timely manner.
- Highmark and eBDS will continue to maintain their own, separate processing platforms. All data will continue to be protected by ethical and legal guidelines in force at both companies before eBDS lines of business are migrated to HM Benefit Administrators.
- Customers will continue to receive support through existing toll-free numbers and Web portals. A thorough assessment is underway to identify changes, and all changes will be communicated to you and your clients once they are finalized. HM Benefit Administrators is committed to maintaining current service levels and will manage changes to ensure minimal disruption.
- Re-contracting and pricing changes for customers will occur at each group's renewal date, starting April 1, 2010.
- Integrated Federal COBRA service options will continue as part of these groups' service offering. Employer groups within Associations will continue to have the option to elect to purchase these services. Employer groups that have COBRA agreements within the existing service packages will not have to complete additional authorization to continue these services.
- A complete review of personnel has been completed. If any changes directly affecting clients are scheduled to occur as a result of the personnel reviews, they will be communicated to the affected clients as soon as those decisions are made.

We'll keep you informed as this transition moves forward. If you need additional information or have any questions now, please contact your Highmark Client Manager.

*\*The companies in the HM Insurance Group and eBDS are separate companies that do not provide Highmark Blue Cross Blue Shield products or services. These companies are solely responsible for the products and services described above.*

## Important Information About Act 4

You may have heard of Act 4, a Pennsylvania law that addresses extended coverage for dependents. Act 4 does not require employers to extend coverage for dependents, but it does require insurers to offer fully insured and cost-plus groups the option of covering dependents up to age 30 at the insured employee's expense.

Various groups may want to take advantage of this opportunity to provide uninsured individuals with coverage. Therefore, to make this option available to more groups, Highmark has elected to offer ASO/ASC employer groups the option to extend this coverage. The option will be available for group renewals and new groups beginning in January 2010. This extended coverage option can only be added to the group's benefit plan offering on the group's renewal date.

A child of a covered employee must meet the following criteria to be an eligible adult child:

- Is not married
- Has no dependents
- Is a resident of Pennsylvania or is a full-time student of an institution of higher education
- Is not covered under any group or individual health insurance policy or enrolled in or entitled to benefits under any government health care benefits program

Highmark will charge the group the individual rate for each additional dependent. The employer group may wish to collect this from the employee.

We anticipate changes to the small group business application, and will provide you with additional information as it becomes available.

For more information about coverage for dependents up to age 30, contact your Highmark client manager.

Sincerely,



Reginald E. Brown

Director, Producer Affairs, West