



*Highmark Blue Cross Blue Shield is an Independent Licensee of the Blue Cross and Blue Shield Association.*

February 29, 2008

**#3-2008**

**Dear Highmark Blue Cross Blue Shield Appointed General Agency:**

- Tiered underwriting for medically underwritten products
- Addition of a vision benefit to select products
- Guideline changes for adding newborn children to coverage
- Faxing medical records
- PreferredBlue replaces ClassicBlue for the HIPAA and HCTC programs

**Tiered Underwriting Expands Sales Opportunities**

The Pennsylvania Insurance Department has approved tiered underwriting for Highmark individual medically underwritten products effective April 1, 2008. Tiered underwriting will provide additional opportunity for the uninsured population in western Pennsylvania to obtain affordable, comprehensive coverage.

Tiered underwriting will also broaden producer sales opportunities as customers who did not previously meet underwriting guidelines may now qualify for coverage at Tier II or Tier III rates.

The application review process will remain the same. The medical information in CompleteCare, DirectBlue, KeystoneBlue or PPOBlue HDHP applications will be reviewed, and, if necessary, additional medical records will be requested.

Based on the outcome of medical underwriting, the applicant(s) can be:

- 1) accepted at Tier I rates (standard rates)
- 2) accepted at Tier II rates (15% above standard rates)
- 3) accepted at Tier III rates (30% above standard rates)
- 4) denied

Applicants will be notified of their application status via a letter of approval at the Tier I (standard) rate, an offer for approval at a Tier II or Tier III rate, or a letter of denial. Applicants who receive offers for coverage at Tier II and III rates will receive rate information with their letters.



Family applications could result in some family members being approved at different rate tiers or some members being approved and others denied.

Families with members accepted at different rates have the options to enroll:

- 1) as a family under one contract at the highest rate tier offered to any individual(s) within the family.
- 2) as individuals under separate contracts corresponding to their individual tiers. Enrolling under separate contracts will result in family members receiving separate ID cards and agreements, separate invoices and separate Explanations of Benefits.

Determining the best rating option for families approved at different tiers must be evaluated on a case-by-case basis as the rates are based on the number of dependents, age and gender.

### **Tier II and III Offers and Denials Can Be Appealed**

An applicant who receives an offer for coverage at a Tier II or Tier III rate and chooses to appeal that offer, can do so. The applicant can enroll at the tiered rate offered while awaiting the outcome of the appeal.

When a Tier II or III appeal is approved, a member can enroll retroactively to the original effective date. Invoices will be adjusted to the appropriate rate.

An applicant who is denied still has the right to appeal the denial. However, when a denial is appealed and approved, the effective date will be the first of the month following the approval.

### **Revised Literature Reflects Tiered Underwriting Changes**

Current non-smoker rates will not change and will now be the Tier I or standard rates. We are in the process of revising the medically underwritten rate sheets to remove the smoker rates.

Tier I rate sheets will be available to order via the Producer Online Order Form by March 17, 2008. Attached for your use until then are PDFs of CompleteCare, DirectBlue, KeystoneBlue and PPOBlue HDHP Tier I rate sheets.

- 20469 (3/08) – CompleteCare rate sheet
- 21873 (3/08) – DirectBlue rate sheet
- 21099 (3/08) – KeystoneBlue rate sheet
- 23013 (3/08) – PPOBlue rate sheet

### **Training Module Available**

A Tiered Underwriting training module **is now available online on the Producer Portal and will be available on CD or DVD by March 7**. To access the online training module, log on to the Producer Portal and go to the **Training** tab. Select **Producer Modules** and



then click on the ***Tiered Underwriting*** link. The training module is also **available to General Agencies only** on CD and DVD if you are doing off-site training where you do not have Internet access. To request a copy of the training module, please contact Cathy Hills, Producer Affairs, at 412-544-2209 or [catherine.hills@highmark.com](mailto:catherine.hills@highmark.com).

### **Producer Hotline Will Take Questions After March 7, 2008**

The Producer Hotline will not take questions about Tiered Underwriting until after March 7. If you have questions in the meantime, producers should contact their General Agencies.

### **See Which Highmark Products Now Have A Vision Benefit**

We are pleased to announce the inclusion of a vision benefit at no additional cost to several of Highmark's individual direct pay products. Effective immediately, CompleteCare, DirectBlue, KeystoneBlue, Special Care and PreferredBlue will include this new and valuable benefit.

Attached is a PDF of a brochure describing the program which includes paid-in-full routine exams every 24 months as well as discounts on frames, lenses, lens options such as scratch resistant coating and standard anti-reflective coating, contact lenses and more! This brochure is currently available via the Online Producer Order Form.

**24028** – See What's New Vision Brochure

Please review the attached brochure to learn more about this new benefit that adds even more value to these Highmark products.

### **Guidelines Changed for Adding Newborn Children to Coverage**

Effective April 1, 2008, guidelines for adding a newborn child to an existing contract are changing. This affects a newborn child, an adopted newborn child or a newborn child being placed for adoption.

Children will be covered under their parent's or legal guardian's health insurance program up to and including the 31<sup>st</sup> day from birth. The pre-existing condition limitation does not apply.

**Please note that the process for applying for coverage for a newborn beyond the 31<sup>st</sup> day from birth has changed.** So please review page 30 in the attached revised Producer Manual for details about applying for guaranteed issue and medically underwritten coverage for newborn children.



## **Follow “Faxing Medical Records” Procedure to Facilitate Processing**

When submitting an online application for which you intend to fax medical records, please indicate on the application – either in the space next to the pertinent medical condition or in the last question that asks for “Other” information – that you are faxing medical records. **If you do not clarify on the online application that you are faxing medical records, the application will be processed without the medical records. Medical records should be faxed on the same day you submit the application.**

When you fax the medical records, you must use the attached fax cover sheet. Complete all the requested information including:

- 1) the name & Social Security number of the individual for whom you are faxing records and
- 2) the name and Social Security number of the individual under whose name the application is being submitted (i.e., in the case of a husband, wife and two children, the information for the older spouse).

**Fax medical records to 412-544-4009, Attention: Medical Underwriting Department.** Please note that it will take a couple of days to match faxed medical records to an online application. **If you have properly indicated on the application that medical records are also being sent, there will be no need for you to call to determine if medical records have been received.** Your notation on the application will indicate that medical records should be matched with that application. **We will contact you if the appropriate medical records are not received.**

## **PreferredBlue Replaces ClassicBlue for HCTC and HIPAA**

Highmark continues to offer coverage to individuals who are eligible for the Health Coverage Tax Credit (HCTC) and the Health Insurance Portability and Accountability Act (HIPAA) programs. However the plan offered for these programs has been changed from ClassicBlue to PreferredBlue, effective January 1, 2008.

As the result of this change, HCTC and HIPAA literature has been revised and can be ordered via the Producer Online Order Form using the inventory numbers listed below.

### **HCTC**

**24077 (12/07)** – Cover letter

**24076 (either 12/07 or 2/08 are usable)** – Program brochure

**24078 (12/07)** – Rate sheet

**ENR-105 (11/07)** - Application



**HIPAA**

**24074 (12/07)** – Cover letter

**24073 (either 12/07 or 2/08 are usable)** – Program brochure

**24075 (12/07)** – Rate sheet

**ENR-104 (11/07)** – Application

**21942 (12/07)** – HIPAA Eligibility Checklist

If you have questions concerning any of these issues, please contact your Account Service Manager.

Sincerely,

A handwritten signature in black ink that reads "Aaron J. Ochs". The signature is written in a cursive style with a large initial "A".

Aaron J. Ochs  
Director, Producer Affairs  
412-544-2031