

Health Care Reform Update - Group

Many required changes from the health care reform act will be effective October 1, 2010. We want to let you know what will be happening in Group & Individual as we prepare to implement these, including what our plans will look like after the implementation of those changes.

Most of your customers have “grandfathered” health plans. Generally, groups with effective dates before March 23, 2010 are grandfathered. If a group with an effective date before March 23, 2010 made any changes between March 23, 2010 and June 14, 2010, the change may take away the grandfathered status. We will allow these groups to reverse the changes and return to their pre-March 23, 2010 benefits if they choose. **Any benefit changes made after June 14, 2010 cannot be reversed, even if the change causes a group to lose grandfathered status.**

For more information regarding grandfathered status, please see our health care reform bulletin on the subject. You can find it at:

http://www.bcbssc.com/UserFiles/scblues/Documents/hcr_8_grandfathering.pdf.

Beginning with October renewals, we will send groups a letter outlining all required changes. The renewal packet will also include an attestation form, which groups are required to return no less than 30 days prior to their renewal dates. We are requiring this form to verify the group’s contribution levels as of March 23, 2010. A change in contribution may cause a loss of grandfathered status. If a group does not complete this form, we will consider the group non-grandfathered.

These changes apply to all groups, regardless of grandfathered status.

Dependents to Age 26

Dependents are now eligible for coverage up to age 26 (through age 25) regardless of student status. There will be a special enrollment period for these dependents beginning at the group’s renewal. The special enrollment period will last 30 days.

Pre-existing Conditions

There will no longer be any pre-existing condition limitations for members or dependents up to age 19 (through age 18).



South Carolina

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Lifetime Maximums

When a group renews, we will remove lifetime dollar maximums for essential benefits on the group's coverage.

If a member met the lifetime max, and is still eligible for coverage through the group, he or she may be eligible for reinstatement.

Annual Dollar Limits

Beginning at renewal, group coverage will have an annual dollar limit on the total coverage for each member in addition to non-dollar limits on some specific services. For a grandfathered group's new plan year, the new annual limit for total coverage per member will be \$2 million.

The following changes will only apply to new groups and non-grandfathered groups.

Appeals

The health care reform act requires us to implement new appeals processes. This applies for both internal appeals and external reviews. Our processes are already generally consistent with the mandates, but we will update them to be fully compliant.

Emergency Services

The act requires changes to reimbursement for emergency services in an out-of-network hospital's emergency room. Most or all of these requirements are already in place for our current members.

Additional Preventive Benefits

We will add additional preventive benefits as required by the new health care reform act.

Annual Dollar Limits (Corrected August 27, 2010)

There will be specific annual limits on the total coverage for each group member.

For the first plan year beginning after September 23, 2010, the annual limit per member will be \$2 million.

Group Products for Effective Dates on or After October 1, 2010

All BlueCross products sold after October 1, 2010 will be compliant with the health care reform act. Quoting for these products is now available in Accel-A-RateSM.

We will have new marketing materials available for ordering as soon as possible. We will send out another agent bulletin in early September reminding you to discard all older materials.

We look forward to working with you over the coming months and will continue to provide information as quickly as possible.