



## Welcome

Dear Business Partner:

As we approach the end of our third quarter, we have a number of dynamic and exciting changes to our product line. As you are aware, the Health Care Reform bill in Massachusetts has spurred a number of changes to our current products, and we have recently provided information about an immediate change impacting you and your clients.

We also have some important information regarding the delivery of creditable coverage notices for our senior group markets, as well as updates to our senior markets product line. We're also sharing with you an innovative addition to our comprehensive member health and wellness goals—a tobacco premium option and personalized communications. Both of these new product and service enhancements focus on assisting your clients and our members in achieving healthier lifestyles and making the most of their overall health coverage.

Finally, we have an update to our Behavioral Health Network. If you have any questions regarding the following, please contact your Account Executive.

Sincerely,

Carlos Cubia  
Vice President  
Sales Division

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### Health Care Reform and Dependent Eligibility

As a result of the recent passage of the Health Care Reform bill in Massachusetts, there has been a change to the eligibility provisions for dependent coverage (see [previous announcement](#)). Over the next couple of weeks your clients will be receiving a letter regarding the impact of these changes. You will be receiving an advance copy of these client letters in the mail.

If you any questions, please contact your Account Executive.

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## Senior Markets Update

As our Senior markets continue to be impacted by recent changes to Medicare coverage, we have several updates to share with you.

### Creditable Coverage Notices

As you may be aware, your clients must provide a letter to their employees/retirees stating whether their health plan has "creditable" or "non-creditable" prescription coverage before November 15th. Last year we provided a notice to your clients informing them whether their benefit design was deemed "creditable" or "non-creditable." We will not be providing these notices this year, because any plan deemed creditable in 2006 will remain creditable for 2007 if your client has not changed the prescription benefits of their plan(s). If changes were made, and your clients are unsure if the "creditable" standard will be met, please refer them to their Account Executive. Updated sample creditable and non-creditable letters can be found on the Centers for Medicare and Medicaid Services (CMS) website [www.cms.hhs.gov/creditablecoverage](http://www.cms.hhs.gov/creditablecoverage).

In addition to the employee creditable coverage letter, your clients who currently offer group health plans must complete the electronic disclosure form on the CMS Creditable Coverage Disclosure web page [www.cms.hhs.gov/creditablecoverage](http://www.cms.hhs.gov/creditablecoverage). Accounts do not have to file the disclosure for their group plans that have filed for the Retiree Drug Subsidy, as these plans have met the actuarial equivalence standard.

### 2007 Rates Approved

The Blue Cross Blue Shield Medicare HMO Blue, Medicare PPO Blue and Blue MedicareRx plans 2007 rates and benefits have received final approval by CMS.

**Medicare HMO Blue and Medicare PPO Blue.** Medicare HMO Blue and Medicare PPO Blue are Medicare Advantage plans with Part D prescription plan benefits. These plans are available to accounts that offer benefits to retirees and for whom a majority of their retirees reside within the plan's service area (all counties in Massachusetts with the exception of Berkshire, Nantucket and Dukes). These plans offer numerous prescription co-payment options and are a high quality, low cost alternative to traditional Medicare supplement programs. These plans may also be offered in addition to Medicare A and B supplement programs. Please check with your account executive for 2007 rates and benefits.

**Blue MedicareRx.** Blue MedicareRx is a stand-alone Part D plan that can be paired with a traditional Medicare A and B supplemental program such as Medex or Managed Blue for Seniors plans. By replacing the current prescription plan of the Medex or Managed Blue for Seniors program with Blue MedicareRx, accounts may be able to reduce monthly premiums and prescription co-payments. Additionally, if accounts choose Blue MedicareRx they will no longer have the administrative burden of filing for the Retiree Subsidy with CMS. Eight benefit design options are available for group accounts, for 2007 rates and benefits please contact your account executive.

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## Updates to the Blue Cross Blue Shield of Massachusetts Formulary

As part of our continuing effort to provide affordable health care and prescription medication benefits to our members, we have made some carefully considered changes to our covered medication list. Please be aware that for medications being moved to non-covered status, additional medication options in the same therapeutic class are available. Members can refer to our website at [www.bluecrossma.com](http://www.bluecrossma.com) and click on Pharmacy Program to obtain the most up-to-date drug coverage information.

Our Pharmacy and Therapeutics (P&T) Committee, comprising various external physicians and pharmacists, reviews the safety, effectiveness, and overall value of new medications approved by the Food and Drug Administration (FDA). While a new drug is being reviewed, it will not be covered by the plan. As with other

non-covered drugs, a physician may request coverage for any new FDA-approved drug under committee review, if it is medically necessary. This does not apply to our senior plans—Medex plans, Medicare Advantage plans, and Blue MedicareRx; because they must meet certain federal regulations, we cover newly approved medications as required and in accordance with government guidelines.

#### **Exclusion of Prescription Medications with Over-the-Counter Equivalent Products**

Effective November 1, 2006, the following medications will be excluded from the Blue Cross Blue Shield of Massachusetts pharmacy benefit: Members taking these medications will be notified of this change. Zantac® 150mg (tablets and capsules), ranitidine 150mg (tablets and capsules), Zantac® 150mg EFFERdose® Tablets, guaifenesin DM (all generic forms), Ambid® DM, Aquabid® DM, Fenesin® DM, Guaifenex® DM, Humibid® DM, Iobid® DM

#### **Movement of Zanaflex® Tablets to the Non-Covered Medication List**

Effective November 1, 2006, brand name Zanaflex® tablets will move from Tier 3 to the non-covered medication list. The generic form of Zanaflex®, tizanidine, will be available to members at Tier 1. Members who are taking this medication and their physicians will be notified of this change.

#### **New Quality-Care-Dosing Limits on Select Injectable Medications**

Effective November 1, 2006, new Quality-Care-Dosing limits will be placed on select injectable medications. These limits are intended to prevent pharmacy billing issues and not to disrupt members' therapy.

For additional information on these changes, please speak with your Account Executive.

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### **Tobacco Premium Contribution Options**

Tobacco use continues to impact many individuals' health and well-being, which in turn, affects health care costs. The Centers for Disease Control and Prevention has stated that smokers average \$3,400 per year in excess medical claims. It's important to us to take a proactive approach to support the health of your clients' employees while mitigating health care costs whenever possible.

In response to client interest, we have developed a resource for those considering a tobacco premium contribution differential at their worksite. By offering this differential, employers are choosing to congratulate and pass along savings to employees who do not use tobacco products (or to those actively trying to quit), while increasing the premium contribution amount for those who do use tobacco products to encourage them to quit. In most cases, a premium contribution differential can be cost-neutral for the employer (Your clients will be paying the same premium amount to Blue Cross Blue Shield of Massachusetts).

During the fourth quarter of 2006, we will have several resources available for your clients who are considering a tobacco contribution differential, including sample communication pieces, tracking methods for program completion, and options for distributing materials directly to employees at their home addresses.\*

It is important for your clients to decide what will work best for their company. Considering their corporate culture, current policies, and procedures are important first steps in determining whether a premium contribution differential is a viable option for their company.

If you have a client interested in our tobacco premium contribution options, please contact your Account Executive.

\* Accounts are responsible for all financial aspects of this initiative.

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## Behavioral Health Network Change

After a review of our behavioral health strategy for managed care plans, we have decided to assume the administration of behavioral health care services from our current manager, Magellan Health Services, for our members in HMO Blue® New England, Network Blue New England, and Blue Choice® New England plans. This transition will take effect on January 1, 2008.

In January of this year, we assumed the administration of behavioral health care services for our local managed care plans. Our decision to assume administration of these services for our local plans—and now also our New England plans—is the result of a review of our overall behavioral health strategy.

We have determined that by integrating behavioral health services with medical services, we can optimize the quality of care that our members receive, and ensure more effective collaboration between behavioral and medical providers. For example, in 2007 we expect to launch a behavioral health outcomes program. This program will enable members receiving outpatient psychotherapy services to give their providers real-time feedback about their behavioral health status through a self-administered, standardized patient assessment instrument. Members in our New England managed care plans will be able to participate in this program in 2008.

In 2007, we will provide you with more information about our plan to assume administration of behavioral health care services. It is our goal to ensure a seamless transition for our members. Until January 1, 2008, your employees may continue to access behavioral health care and to request authorizations from Magellan Health Services. Please be assured that your clients' employees' coverage and benefits will not change as a result of this transition. If you have any questions, please contact your Account Executive.

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## Personalized Member Communications

At Blue Cross Blue Shield of Massachusetts, we know our members have different lifestyles and priorities. Their health experiences should be unique, too.

### Making It Personal: A Health Care Conversation

Personalized member communications are about creating a dialogue with our members. By using advanced technology and asking members what's important to them, we help them make their health plan their very own. It's a shift in focus: from telling to showing, from informing to listening, from reacting to anticipating.

The result: a unique experience that engages members in their health and health care. As we communicate more personally, we become a trusted health care partner. Members rely on us to know what they want, when they want it, and how they want it. Most importantly, they realize their health plan can actually help them be healthy.

### Breaking It Down: Member-Level Segmentation

At the core of personalization lies robust, member-level data and segmentation. By accounting for demographics and consumer-behavior trends, we tailor our message to address members' specific needs. Segmentation is based on:

- enrollment and service-use data\* (information volunteered by members through areas on bluecrossma.com, including Member Self Service area and the Personal Health Assessment)
- our care-management programs

We also rely on consumer-behavior trend analyses performed by a leading consumer-marketing research company. These analyses offer insight into our members' attitudes, behaviors, and core values.

### Enhancing Our Service: Communication and Branding

Our initial personalized communications will target members who may not be maximizing their health care services. Our aim is to have these individuals take an active role in their health and get the most from their

health plan. In 2007 and beyond, we will also use email, our new website, voicemail, and other delivery channels as they become available.

In addition, our messages will become increasingly automated, as we rely on technology to respond to members' interests and preferences. For example, for a member who tells us she's curious about alternative exercise, we might email her about a new dance class available at her local health club.

If you have questions about personalized member communications, please contact your Account Executive.

\*To ensure members' privacy, all segmentation and personalization activities comply with HIPAA regulations.

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If the above link is not functioning in your email, copy and paste the URL listed below into a browser window:

Key Administrative Changes Email:

[http://www.bluecrossma-takecontrol.com/BlueLinks\\_eNews/Offcycle\\_110106/round5.html](http://www.bluecrossma-takecontrol.com/BlueLinks_eNews/Offcycle_110106/round5.html)

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