



Welcome

Dear Business Partner:

As we approach the end of 2005's first quarter, I want to thank all of you for your enthusiastic welcome, and for your extraordinary efforts on behalf of Blue Cross Blue Shield of Massachusetts.

I'd like to take this opportunity to share with you some recent developments, including financials for Q4 2004, the impact of the Medicare Modernization Act, updates to our BlueQuote system, and several critical network updates.

Sincerely,

Carlos Cubia
Vice President
Sales Division

In the February 2005 issue of BlueLinks eNews:

- [4th Quarter and Year-end Financial Results Reported](#)
- [Medicare Modernization Act \(MMA\)](#)
- [Business Rule Enhancements: Quoting Multiple HMO Products](#)
- [Network Updates](#)
- [Update on Emergency Medicine Physician Services](#)

Note: If the above links do not work, scroll down to read the articles.

4th Quarter and Year-end Financial Results Reported

Today, we reported our 2004 financial results that reflect continued strong performance. During this very solid year, overall enrollment increased by more than 169,000 members, bringing our total medical membership to 2.7 million members.

We could not have achieved these results without your ongoing dedication and support. We appreciate the opportunity to continue serving you and your clients.

For more details about our year-end results, please read our recent [press release](#) (pdf, 68k). If you have any questions, please contact your Account Executive.

[Back to Top](#)

Medicare Modernization Act (MMA)

Employer-Sponsored Retiree Health Plans Impacted by MMA

In 2006, employer-sponsored retiree plans will see the effects of provisions resulting from the Medicare Modernization Act (MMA) of 2003. Since the MMA was passed, Blue Cross Blue Shield of Massachusetts has conducted an ongoing assessment of this complex legislation. The Centers for Medicare & Medicaid Services (CMS) published final regulations on January 28, 2005. Additional guidance from CMS and other federal agencies is expected sometime in early 2005.

Employers May Be Eligible for a Subsidy for Prescription Drug Expenses

Beginning in 2006, employers who sponsor health benefits for retirees that include drug benefits may be entitled to receive a tax-free government subsidy for a portion of the prescription drug benefits they provide. A new Medicare Prescription Drug Benefit is also slated to begin in 2006 and will be available through the federal Medicare program. The new benefit is known as Medicare Part D. Enrollment in Medicare Part D will be voluntary for Medicare beneficiaries and can be purchased directly by individuals or by employers on behalf of their Medicare-eligible retirees. According to government estimates, the expected premium for Part D is expected to be about \$35 per month for 2006, and represents about 25 percent of the actual cost of the program, with the balance subsidized by the federal government.

We're Here to Help

Blue Cross Blue Shield of Massachusetts is committed to helping you and your clients manage these important changes to Medicare. We plan to offer educational meetings based on the federal regulations and guidelines this spring, and will share other information with you as it becomes available. In the meantime, feel free to call your Account Executive if you have any questions about the MMA.

[Back to Top](#)

Business Rule Enhancements

Quoting Multiple HMO Products

We've recently changed our business rules to now allow you to quote two HMO plans, side-by-side, for new and renewing small group reform (SGR) accounts. This change goes into effect starting with April 1, 2005 effective dates. BlueQuote, our web-based new business quoting system, has already been upgraded to accommodate this enhancement. For renewal business, simply contact your Account Executive to request an alternative quote. Please note that this rule does not apply to any of our HMO Preference or HMO High-Deductible plans.

In addition, beginning on July 1, 2005, we will be introducing the HMO Blue® New England \$1,000 Deductible Option for small group reform quotes. However, as one of our Consumer Choice Blue plans, offering of the HMO Blue New England \$1,000 Deductible Option will follow the previous business rules for combination quotes (accounts may have an option for one high-deductible HMO and one high-deductible PPO product). This functionality has also been built into the BlueQuote system, when offering the high-deductible plans.

If you have any questions about these enhancements, please contact your Account Executive.

[Back to Top](#)

Network Updates

Network Change Concerning Parkland Medical Center and Southern New Hampshire Medical Center

Effective January 1, 2006, Parkland Medical Center and Southern New Hampshire Medical Center and the network physicians associated with these hospitals in New Hampshire will no longer participate in the HMO Blue® network. However, providers associated with both facilities will continue to participate in our HMO Blue® New England, Blue Choice® New England, Blue Care® Elect PPO, and indemnity plan networks. If your clients are currently offering a local HMO Blue, Network Blue, Access Blue, Blue Choice, or Managed Blue for Seniors plan which will be affected by this network change, and would like to continue to offer their employees in-network access to providers associated with Parkland Medical Center or Southern New Hampshire Medical Center, please speak to your Account Executive about working to move your clients to one of our New England managed care or PPO plans on their next anniversary date PRIOR to January 1, 2006. Your client's employees who remain enrolled in one of our HMO Blue, Blue Choice, Network Blue, Access Blue, or Managed Blue for Seniors plans will be notified that they will need to select a new PCP from within the remaining network.

If you have any questions regarding this network change, please contact your Account Executive.

[Back to Top](#)

Update on Emergency Medicine Physician Services

Blue Cross Blue Shield of Massachusetts currently contracts with most emergency medicine physicians (EMPs) in Massachusetts. EMPs are physicians who work in hospital emergency departments. However, a small number of EMPs have decided not to become part of our HMO and PPO networks. Please note that the hospitals (listed

below) affiliated with these EMPs will continue to participate in our networks, and all covered hospital charges will be paid as usual, less any applicable copayment or co-insurance.

What's Changing?

Blue Cross Blue Shield of Massachusetts subscribers' benefits, their cost of care, and their access to emergency care has not changed. Our coverage of emergency care has not changed. The only thing that has changed is the way in which we reimburse our members for care provided in a hospital emergency department by the small number of "non-participating" EMPs.

Our members' health is our primary concern, and to that end, we want to emphasize that during a health care emergency, members should continue to seek care at the nearest medical facility or call 911 (or the local emergency phone number), regardless of whether or not the physicians at the facility are participating in our network.

In the event of an emergency, members should only be required to pay their usual copayment (or co-insurance) if applicable, at the time of treatment.

What to Do After Emergency Treatment

If care is provided by an EMP who is not participating in our network, the following steps should be taken:

- Members should pay their copayment (or co-insurance) to the hospital if applicable, at the time of treatment or when billed.
- The non-participating EMP may bill either Blue Cross Blue Shield of Massachusetts or the member.
- Blue Cross Blue Shield of Massachusetts will send members a reimbursement check for the amount billed by the EMP for covered professional services less any applicable copayment or co-insurance .
- Members will then be responsible for reimbursing the EMP the total amount due. If a member receives a bill from a non-participating EMP, the member will need only to submit the bill with a completed Subscriber Claim Form in order to receive the reimbursement necessary to pay the bill. Forms are available either online at bluecrossma.com, or by calling the Member Service number shown on the front of the member's ID card.

Non-Participating Emergency Medicine Physicians

Please note that all of the EMPs at the following hospital emergency department facilities have chosen not to participate in our HMO and PPO networks at this time:

- Anna Jaques Hospital
- Cape Cod Hospital
- Caritas Carney Hospital, Caritas Holy Family Hospital, Caritas Good Samaritan Medical Center, Caritas Norwood Hospital, Caritas St. Elizabeth's Medical Center
- Jordan Hospital
- MetroWest Medical Center
- Morton Hospital and Medical Center

Because our network participation does change, we will update our list of participating EMPs as appropriate. In the meantime, members can contact Member Service for up-to-date information regarding participating EMPs in their local area. If you have any questions, please contact your Account Executive.

[Back to Top](#)

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

Press Release:

http://www.bluecrossma-bluesline.com/BlueLinks_eNews/022805_Email/Yearend04final.pdf

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