



## Welcome

Dear Business Partner:

Thank you for your constant strong support during the first half of this year. We've enjoyed continued success in the market thus far, thanks in large part to your efforts to help us secure and maintain a leadership position. For your information, we've attached a copy of our Second Quarter earnings press release.

Also included in this release are updates on other important developments at Blue Cross Blue Shield of Massachusetts. We recently completed a five-year contract with Partners HealthCare, which is positive news for a strengthened relationship with the community. In addition, our Living Healthy Naturally discount network for complementary and alternative medicine is being expanded to include practitioners in all 50 states to serve your multistate clients. The program is also being enhanced by the addition of 10 new disciplines.

Finally, in keeping with our commitment to putting members first, we've revamped our approach to member ID numbers and are converting to a non-Social Security based system to ensure security and compliance with federal legislation.

If you have questions about any of these recent developments, please contact your Account Executive.

Sincerely,

Tim O'Brien  
Senior Vice President  
Sales Division

## In the August 2004 issue of BlueLinks eNews:

- [New Financial Results Posted](#)
- [Proactively Addressing Privacy Issues](#)
- [Significant Enhancements to Our Living Healthy Naturally Program](#)
- [Five-Year Agreement with Partners HealthCare Completed](#)

Note: If the above links do not work, scroll down to read the articles or access additional information at the bottom of this e-mail.

### **New Financial Results Posted**

Today, we reported a second quarter statutory, after-tax net income of \$48.7 million. During this very solid quarter, overall enrollment increased by 21,282 members to 2.6 million, while HMO Blue's membership increased by 14,283 members to 911,671.

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 second quarter results, please read our recent [press release](#) (pdf, 27k). If you have any questions, please contact your Account Executive.

[Back to Top](#)

## Proactively Addressing Privacy Issues

To protect the privacy of our members, Blue Cross Blue Shield of Massachusetts is replacing our Social Security number-based member identification numbers with a new numbering system. This initiative is designed to prevent identity theft and protect the personal information of our members.

By the end of the year, our members (with the exception of FEP members) will have been issued new ID cards with a unique identifier that does not reflect their Social Security number. The three-character alphabetical prefix that identifies the member's plan—critical for eligibility/benefit verification and claims processing—will remain part of all member ID numbers.

Members will receive their new ID card, along with a brief letter describing the change and instructing them to discard their old ID card and to provide updated information to appropriate members of their health care team, such as their primary care physician and pharmacies.

For more information, please read the attached [Q&A](#) (pdf, 315k) or call your Account Executive.

[Back to Top](#)

## Significant Enhancements to Our Living Healthy Naturally Program

Beginning in early September 2004, our newly expanded Living Healthy Naturally program will provide all Blue Cross Blue Shield of Massachusetts members with up to a 30 percent discount off the standard retail rates at network practitioners in all 50 states for the following 10 alternative medicines disciplines:

- Massage Therapy
- Acupuncture
- Nutrition Counseling
- Naturopathic Medicine
- Pilates
- Personal Training
- Yoga
- Tai Chi
- Qi (Chi) Gong
- Mind/Body Therapies

To receive the discount, members simply show their Blue Cross Blue Shield of Massachusetts ID card when they arrive at the network practitioner's office. They don't have to worry about claim forms or filing paperwork, and they can use the program as often as they like.

Beginning in early September 2004, members can locate a practitioner by:

- Logging onto our [www.ahealthyme.com](http://www.ahealthyme.com) website and click on Living Healthy Naturally or our [www.bluecrossma.com](http://www.bluecrossma.com) website and click on My Wellbeing, then click on Healthy Discounts (national directory)
- Looking in the printed Massachusetts practitioner directory
- Calling the Member Services telephone number on their member ID card (national directory)

We've partnered with American Whole Health, Inc. to develop and manage the discount network. American Whole Health, Inc. is a health care company that has been operating specialty care provider networks with health plans for 16 years. The organization has screened all practitioners in the network and periodically reviews practitioners to ensure that members will have access to qualified professionals in these fields.

[Back to Top](#)

## Five-Year Agreement with Partners HealthCare Completed

Blue Cross Blue Shield of Massachusetts completed a five-year agreement with Partners HealthCare that is effective October 1, 2004. The new agreement provides network stability for our members and demonstrates our continued commitment to providing our members with access to high quality, affordable health care. By renewing and extending the working relationship we established in 1994 through to 2009, we've established a

solid, long-term basis on which to enhance our relationship with Partners' physicians and hospitals. We're also creating new channels to work together to improve efficiency and quality of care. "In an era marked by great medical advances, accompanied by rising costs, it is more important than ever that we focus on enhancing quality and value for our members," said CEO Bill Van Faasen in completing the contract. "By focusing on quality and value, Blue Cross Blue Shield of Massachusetts and Partners will work together to address the cycle of increasing health care costs."

Since specific quality and cost improvement measures are part of this new agreement, quality improvement payments and financial incentives for physicians will be tied to meeting specific goals in those measures. The quality improvement measures include:

- Targeted quality measures that include HEDIS scores as well as other hospital-based measures
- Benchmarking measures to be used to manage the appropriateness of admissions (tertiary or community hospitals) and the use of high-cost radiology and pharmaceuticals
- Expediting the implementation of technologies that allow clinicians to provide optimal care

[Back to Top](#)

If the above links are not functioning in your email, copy and paste the URLs listed below into a browser window.

Press Release:

[http://www.bluecrossma-bluesline.com/BlueLinks\\_eNews/Broker\\_081304\\_Email/2Q2004filing08042.html](http://www.bluecrossma-bluesline.com/BlueLinks_eNews/Broker_081304_Email/2Q2004filing08042.html)

Q&A PDF:

[http://www.bluecrossma-bluesline.com/BlueLinks\\_eNews/Broker\\_081304\\_Email/SS\\_QA.html](http://www.bluecrossma-bluesline.com/BlueLinks_eNews/Broker_081304_Email/SS_QA.html)

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