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FEBRUARY 10, 2010

VIRGINIA LOCAL
GROUP BUSINESS

PRINT FEEDBACK



Advisor Update

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ISSUE...

Anthem asks small group employers for names of employees recently eligible for state continuation subsidy

- COBRA Update

Due to the extension of the COBRA subsidy and its impact on state continuation, we are sending our small group employers a [letter](#) requesting that they provide us with the names of all employees who were newly terminated after October 31, 2009, and through February 28, 2010. We also need the group's cooperation to ensure that eligible former employees receive notices of state continuation.

ARRA provides for a subsidy to reduce COBRA and state continuation premiums for up to 15 months, depending on the state (currently, it is 9 months in Virginia)* for individuals who were (or are) involuntarily terminated between September 1, 2008, through February 28, 2010, and who meet other eligibility requirements. While the federal COBRA law does not generally apply to employers with fewer than 20 employees, many states have similar programs to provide continued coverage for terminated employees.

The insurance carrier is responsible for providing the 65% subsidy of the state continuation premium. The member will be responsible for the remaining 35% of the premium. As the insurance carrier, we will seek reimbursement for the 65% subsidy from the U.S. Department of Treasury.

This mailing includes:

- **[Employer Letter](#)** – Provides information on extension, requests return of completed Attestation Form and requests that groups forward the enclosed Model Notice of State Continuation to newly terminated employees.
- **Attestation Form** – As an additional safeguard to meet compliance requirements, Anthem will create a mailing list from the data on the returned Attestation Forms and mail notices to identified individuals.
- **Notice of State Continuation** – To be completed by newly terminated employees and returned to the former employer.

The letters were mailed beginning February 9th. Employers are asked to forward Notices of State Continuation to terminated employees by February 17 (or within five business days of receipt of our communication).

*** Please note that in Virginia, House Bill 554, which would extend the state continuation period to 15 months has passed in the House of Delegates and, as of this**

date, is pending approval in the State Senate. Until the bill is approved by the General Assembly and signed into law by the Governor, the continuation period/subsidy period remains nine months in Virginia. We will keep you informed as information becomes available.

Please also note that Anthem requires an enrollment application to enroll a person in the Virginia Enhanced Continuation subsidy.

WellPoint Supports Haitian Earthquake Relief

The WellPoint Foundation and a WellPoint-affiliated health plan have committed to providing \$50,000 in disaster relief grants to the American Red Cross. The funds will be used to support Haitian relief efforts following the 7.0 magnitude earthquake and subsequent aftershocks that devastated the small island nation. The relief effort is made possible through a \$35,000 contribution from WellPoint's affiliated health plan in New York as well as a \$15,000 contribution from the WellPoint Foundation, LLC, a private, non-profit organization wholly funded by WellPoint, Inc.

The contributions will be made directly to the American Red Cross to ensure the funds reach areas in Haiti with the greatest need.

"Immediately following natural disasters of this magnitude, relief organizations need financial support to help ensure necessary medical supplies, water and food are available for those affected," said Lance Chrisman, executive director, WellPoint Foundation.

According to recent news sources, the earthquake and aftershocks have killed approximately 200,000 people in Haiti and left an estimated 1.5 million people homeless. Within a week after the quake, the numbers of dead and injured continue to grow. More than \$200 million in donations poured into the country from various charities, but much more is needed. The United Nations estimates that one-third of the island's population is still in need of food, water, shelter and medical care.

"WellPoint's associates feel a great sense of responsibility to aid others and are coming together to donate blankets, canned goods and water, in addition to monetary donations to help the thousands of people impacted by this disaster," Chrisman said.

ASO Group Health Plans Face New Responsibilities under ARRA Privacy Regulations

The American Recovery and Reinvestment Act of 2009 (AARA) will have a significant impact on the HIPAA Privacy and Security programs of group health plans. On August 24, 2009, the U.S. Department of Health and Human Services (DHHS) issued interim final regulations on Privacy Breach Notification.

As a result, beginning September 23, 2009, self-funded (ASO) group health plans must now notify impacted members and the DHHS of any privacy breach which they cause or which is caused by their business associate(s).

This new obligation will likely require ASO plans to develop and implement several new procedures. To assist these plans, we have developed a new Privacy Breach Notification Service for handling all privacy breach notifications for breaches caused by our organization. This service will be provided at no cost to the self-funded plan.

Additionally, ASO group health plans may also be required to modify their existing Business Associate Agreements with their service providers by February 2010. In response to this requirement, we have prepared an [Amendment to the existing Business Associate Agreement](#) between us and ASO plans.

A [communication](#) was sent recently to all self-funded group health plan representatives

describing the scope of our new Privacy Breach Notification Service. The communication included an Amendment to the existing Business Associate Agreement that they are asked to sign and return.

For additional information, please contact your local Sales Representative.

Refill By Mail - Retail Exception List Available

Beginning February 1, 2010, the Refill By Mail prescription drug benefit will be enhanced to include a Retail Exception Drug List. This will allow members enrolled in the Refill By Mail prescription drug benefit to continue filling certain medications on the Retail Exception List at retail pharmacies. This enhancement was designed in response to customer feedback. It is intended to make Refill By Mail a more satisfying customer experience and will help members save money on their prescriptions.

This enhancement applies to all groups that have Generic Premium (as Refill By Mail is bundled in) and 100+ groups with stand-alone Refill By Mail benefits.

Maintenance drugs now excluded from the mandatory mail service pharmacy requirement associated with the Refill By Mail prescription benefit are detailed in the Refill By Mail - Retail Exception Drug List. Many drugs on this list are commonly included in retail chain pharmacies' \$4 generic and other low-cost generic drug programs. With this enhancement, members can fill these medications at a local retail pharmacy and will not be required to switch to mail service pharmacy - even after they reach the maximum number of fills allowed at retail pharmacies. This allows members to take advantage of the retail cost-saving programs under their prescription benefit.

The Retail Exception Drug List also includes a set of drugs that are not considered suitable for 90-day mail prescriptions, due to clinical safety considerations, or drug classification as limited distribution or controlled substances. Members who are using these prescriptions will welcome the added flexibility.

For maintenance prescriptions that are not on the Retail Exception List, members with the Refill By Mail benefit should continue using our mail service pharmacy to get the most from their prescription drug benefits.

The following Refill By Mail- Retail Exception List materials are available to help educate clients who currently have the Refill By Mail benefit in place:

- [Retail Exception Drug List](#)
- [Member Flyer](#)

NOTE: These changes only apply to groups that are actively enrolled in the Refill by Mail product. Refill by Mail is available to both fully-insured and ASO groups.

For additional information, please contact your Sales Representatives.

Think paying over \$7,056 is a lot for back surgery?

How about paying \$30,577 somewhere else?*

Compare hospital costs and quality at *Anthem.com*

One procedure can carry different price tags at different facilities. Those differences can increase or decrease members' out-of-pocket costs. We have recently expanded our groundbreaking tool, Anthem Care Comparison, so that members in Virginia can view hospital cost and quality information at different facilities throughout the state at *Anthem.com*.

Anthem Care Comparison provides total estimated costs associated with all aspects of 35 medical procedures performed at local area hospitals and medical facilities. Anthem Care Comparison is the only tool to bundle together related services and tests around a specific procedure to determine the total price, giving our members a complete picture of what an entire procedure typically costs.

Quality information is also included so that members can compare hospital expertise and

experience. Members can access information regarding the number of patients treated, complication rates, mortality rates and average length of stay.

Since Anthem has one of the largest hospital networks in the country, members can feel confident that they can find the information they need to help them in their health care decisions.

Anthem recognizes that it is important for our members to build a trusting and open relationship with their doctor. Research shows that patients who have a good/open relationship with their doctor are more likely to ask questions and follow the doctor's advice. This can help lead to better member health, lower out-of-pocket costs and bottom-line improvement for your clients.

Anthem Care Comparison is a primary feature of the company's 360° Health® program, one of the most robust benefits programs in our industry to comprehensively address preventive care, health improvement and care coordination. It provides health information collected from physicians, nurses and other health care professionals to our members through a single point of contact. It integrates all care management programs and tools into a centralized, consumer-friendly resource that assists members in navigating the health care system, using their health benefits and providing information to help them access comprehensive and appropriate care. 360° Health helps members access a wide range of services, including online wellness and lifestyle programs, discounts on health-related products and alternative medicine therapies, and 24-hour access to health care professionals who can provide health information.

* *Cost Source: ACC*

- Area - Richmond, Virginia
- Back Surgery - Spinal Fusion (upper back) - Inpatient Procedure
- Sentara Williamsburg Regional Medical Center \$7,056 (minimum typical price)
- Carilion Medical Center \$30,577 (minimum typical price)

Anthem Life is designed to help improve productivity and the well-being of it's members with benefits they can use now.

In today's fast-paced world, there's no doubt that people feel some stress at home and at work. When our members need help--finding a child care provider, trying to cope with the loss of a loved one or looking for guidance on their finances? They can turn to us, Anthem Life Insurance Company, because our Resource Advisor is designed to be just that, a resource that can help them manage problems before they become an emotional or financial burden.

Resource Advisor gives employees with disability coverage three face-to-face sessions with a licensed mental health professional during the six-month period after the onset of disability. If employees with life insurance coverage pass away, their beneficiaries get three visits with a licensed mental health professional, as well as up to three consultations with a legal and/or financial professional. Beneficiaries can visit these specialists up to six months after their loss.

Resource Advisor also provides employees up to three consultations with legal and/or financial professionals at no cost. Since this program is for employees, all benefits end at retirement.

Members and their families also get free and confidential access to extensive work/life resources, including:

- Child and elder care provider databases
 - Information on dealing with identity theft
- Advice on handling difficult life events, like losing a loved one
 - Online state-specific will preparation and a library of legal forms
- Online financial calculators and tools
 - Community resources like weather, events and neighborhood information

Plus, our telephone consultation and referral services are available 24/7, toll-free from anywhere in the United States? And, of course, the Resource Advisor Web site never closes, so helpful resources are just a click away!

Remind your client's about the extra support their employees will receive from Anthem when they sign up for our life and disability products. For more information on Resource Advisor, please contact your Anthem sales representative today.

New Form 5500 Reports to be Available in April

We are developing an automated system for producing reports for ERISA 5500 Schedules A and C. The automated process will first affect groups with ERISA plan years ending December 31, 2009 (i.e., January renewal groups).

In addition to the new reporting process, we are also adapting our reporting to include the new requirements mandated by the Department of Labor (DoL) for reporting Non-Monetary Compensation and Indirect Compensation. These new requirements impact plans whose plan year began on or after January 1, 2009.

The new reports for the 2009 reporting period will not be available until late April. Unfortunately, we will not be able to accommodate early report requests.

The Department of Labor allows 120 days following the end of the plan year for carriers to provide this data, and Employer submissions to the DoL are due within 210 days following the end of the plan year. Consistent with ERISA Form 5500 Instructions released by the DoL, we will be providing information necessary for Employer groups to complete their ERISA Form 5500 Schedules A and C based on the their contract or policy year with us. If a group's plan year differs from its contract or policy period with us, the group will receive information for the policy or contract year that ends within the plan year for which they are reporting.

The process for producing ERISA Schedules for groups with ERISA plan years ending November 30, 2009, or earlier has not changed.

Our new H1N1 web presentation will give your clients a healthy start in 2010

There's more to know about the H1N1 virus than most people may realize. So we want to give your clients and their employees the best shot possible for good health in 2010 with this important [H1N1 awareness web presentation](#).

With the New Year here, your clients can help their employees get off to a healthy start by taking a few minutes to view our new H1N1 web presentation. It's designed to help employers learn more about the illness so they can arm the workplace with valuable tools for prevention and be better protected if an outbreak occurs.

Take a look - here's what you'll learn

In the presentation, Dr. Sam Nussbaum, our Executive Vice President of Clinical Health Policy and Chief Medical Officer, provides a detailed overview of the H1N1 virus, explains the vaccines, discusses how to be prepared if an outbreak occurs at the workplace and much more. The presentation is extremely user friendly; viewers can easily jump around from section to section to focus in on what they want to hear - on what's most important to them.

This simple presentation can make a huge difference in the health of your clients, their employees and their business. You can access the presentation through the above link highlighted in blue, or find it on [anthem.com](#) listed under the Spotlight section near the bottom of either the Brokers & Producers or Employer home page.

Make a resolution to have a healthy and productive 2010

The best protection against the H1N1 virus is to get vaccinated. Of course, people should check with their doctors first to make sure the vaccine is right for them.

An eBulletin about the H1N1 web presentation is also being sent to employer groups. If you have any questions, please contact your Sales Representative.

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