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September 29, 2008

 PRINT  FEEDBACK

Anthem. 

News Flash

URGENT
NEWS
FOR YOU...

2009 Medicare Advantage Plan Eliminations

Dear Broker:

We have made the difficult decision to non-renew specific Medicare plans in an effort to effectively manage financial and operational performance of our Medicare business. Information regarding the impacted plans, commissions and a copy of the letter that will be sent to impacted members is attached to this email. Please review these documents for important information regarding this decision and answers to questions you may have.

You may wish to contact your clients to discuss their plan options with them. If you have any additional questions after reviewing the attached documents please contact your Broker Sales Director or Agency Services. We appreciate your business.

Sincerely,

Mark Alimisis

Staff Vice President, Senior Sales & Services

If you have any questions please contact your Broker Sales Director or Agency Services.

[Go here to access the Non Renewal FAQ document](#)

[Go here to access the member notification letter](#)

Anthem Blue Cross and Blue Shield is the trade name of: In Colorado: Rocky Mountain Hospital and Medical Service, Inc. In Connecticut: Anthem Health Plans, Inc. In Indiana: Anthem Insurance Companies, Inc. In Kentucky: Anthem Health Plans of Kentucky, Inc. In Maine: Anthem Health Plans of Maine, Inc. In most of Missouri (excluding 30 counties in the Kansas City area): RightCHOICE® Managed Care, Inc. (RIT), Healthy Alliance® Life Insurance Company (HALIC), and HMO Missouri, Inc. RIT and certain affiliates administer non-HMO benefits underwritten by HALIC and HMO benefits underwritten by HMO Missouri, Inc. RIT and certain affiliates only provide administrative services for self-funded plans and do not underwrite benefits. In Nevada: Rocky Mountain Hospital and Medical Service, Inc. In New Hampshire:

Anthem Advisor Update

IN THIS
ISSUE...

Our Discount is Your Discount!

Fuel prices are higher than ever before. The economy is lagging. Everyone is feeling the pinch these days.

But at **Anthem Blue Cross and Blue Shield**, we remain committed to making it easier for you to do business with us, and with your clients. We're so serious about our commitment that we've made it possible to share with you a significant discount on print services through our preferred vendor, **FedEx Kinko's**. In other words, our discount is your discount.

You can apply our **discount** to a variety of printing and production services, including single-sided black and white or full color copies, at more than 1,700 FedEx Kinko's locations **anywhere** in the world. The chart provides a snapshot of the savings:

Service	Discounted Price	List Price
Black & white copies	2.6¢ per side	10¢ per side
Full color copies	35¢ per side	59¢ per side
Full color copies double-sided	70¢	\$1.20
Other production services like binding, finishing, signs, banners and laminating	15% off list price	Varies by service type

How does the discount work? Well, we've made that easy, too. FedEx Kinko's assigns a **National Discount Number** for you to use. All you do is give this discount number when you pay for print services at any FedEx Kinko's location. Your discount will automatically be applied. It's that simple.

Click [here](#) for your National Discount Number card. Print it and cut out the card. Keep the number handy, as you can't receive your discount unless you present this account number

- **Our Kinko's Discount is Your Discount!**
- Register Now for Virginia Continuing Education Training
- **Group Business Updates**
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every time you order print services at FedEx Kinko's.

We're pleased to pass on to you the significant savings we enjoy on print services through FedEx Kinko's. We hope you'll agree that this is just one more way **Anthem** makes doing business with us easier than ever before.

Anthem Hosts Continuing Education Classes

Time is running out! Click [HERE](#) to register today for Virginia CE.

Anthem Blue Cross and Blue Shield will host a full day of continuing education classes (a total of 8 CE credits) in October at a location near you, as follows:

Western Region:

Holiday Inn - Roanoke

Tuesday, October 21, 2008

3315 Ordway Drive NW

[Driving Directions](#)

Mid-Atlantic Region:

Hilton Garden Inn - Fairfax

Thursday, October 23, 2008

3950 Fair Ridge Drive

[Driving Directions](#)

Eastern Region:

Norfolk Waterside Marriott

Tuesday, October 28, 2008

235 East Main Street

[Driving Directions](#)

Central Region:

Marriott Richmond West (Innsbrook)

Thursday, October 30, 2008

4240 Dominion Boulevard

[Driving Directions](#)

Here are the Company/Agency classes (Sponsored by Anthem Blue Cross and Blue Shield, Virginia):

- Congress & Healthcare (L&H, 1 CE credit)
- Retail Health Clinics (L&H, 1 CE credit)

- Ethics Always (OGI, 1 CE credit)
- Health Management Programs (L&H, 1 CE credit)
- Disability and Absence Management (L&H, 1 CE credit)
- A Guide to Healthcare Quality (L&H, 1 CE credit)

Non-company/Non-agency class (Sponsored by Independent Insurance Agents of Virginia, Inc)

- Laws and Regulations 2008 (L&R, 2 CE credits)

To attend, pre-registration through the following link is required. There will not be an opportunity to register on the day of the session. [Click here to register for Virginia CE.](#)

Each session will begin promptly at 8 a.m. and continue until 4:30 p.m. Continental breakfast and box lunch are included in the \$85.00 fee. Sorry, but partial day attendance requires payment of the full fee.

Cancellations must be made at least two business days prior to the event by means of 1) this online registration site; 2) e-mail to kristi.rainey@anthem.com 3) calling Kristi Rainey at 804-354-3905.

Virginia agent credit requirements include, but are not limited to, completion of at least two credits categorized as insurance laws and regulations and no more than seventy-five percent of the credits required for compliance may come from courses sponsored by insurance agencies or companies. Complete compliance requirements are detailed at <http://www.prometric.com>.

Please note that these Virginia CE classes hosted by Anthem Blue Cross and Blue Shield do not satisfy the licensing requirements for other states.

SIGN UP EARLY - SPACE IS LIMITED

Group Application 2-99 Par/PPO Updated for October 1

We revised the [2-99 Par/PPO](#) group application to reflect our October 1, 2008 group benefit changes. Because changes to the form were minimal, the current stock of existing group applications can continue to be used after October 1, 2008. Please use stock number 111220 (10/08) for ordering from the warehouse.

Start Quoting Enhanced Life and Disability Using the *Prospector*

Virginia's small group quoting system, the *Prospector*, can now support enhanced Anthem Life and Disability products for Virginia small groups (2-14 size). Below is a list of enhancements included in Prospector Internet update 7.3.7. If you haven't already done so, please perform an Internet update now to ensure that you have access to this new quoting capability. If you have any questions, please contact your Specialty Sales Manager.

Age Brackets

- The age brackets in the step tables for Life and Short Term Disability (STD) changed from 5-year brackets starting at <30 through 80+ to <25 through 75+.

Life/AD&D

- Maximum benefit increased from \$100,00 to \$250,000
- 1, 1.5, 2, 2.5 and 3x salary multipliers available
- Reduction schedule changed from 4 tier to 2 tier: 35% reduction at age 65; 50% reduction at age 70
- 2-year rate guarantee for 2 -14 group size
- Accelerated Death Benefit increased from 50% to \$100,000 to 75% to \$125,000
- AD&D includes paraplegia, hemiplegia and uniplegia
- AD&D loss must occur within 365 days rather than 180 days
- AD&D standard features now include child education benefit, repatriation benefit, seat belt and airbag benefits

Dependent Life

4 plans now available:

- 10,000/5,000 - added
- 5,000/2,500 - available now
- 2,500/1,000 - available now
- 2,000/1,000 - added

Short Term Disability

- Flat benefits available are \$200 or \$250. (previously allowed \$50 increments up to \$200)
- 60% or 67% available (previously allowed 50%, 60% and 66.7%)
- Minimum benefit increased from \$25 to \$50
- Maximum benefit increased from \$750 to \$1,350
- 2-year rate guarantee for 2-14 group size
- W-2 administration service included

Reminder: Group Benefit Changes Effective October 1

As previously announced, benefit changes are effective October 1, 2008 for our group plans. What's new for October? Here's a brief recap:

- New KeyCare buy-down options for 100+ market
- Revised availability for Anthem Limited 30/30 in 2-99 market
- Refined Preventive Health Care Services for all products
- New Value-Added Package for 2-99 Association groups
- Healthy Lifestyles buy-up programs for 100+ market
- Product changes to enhance and simplify our products
- Language changes to provide additional detail around benefits and processes

For details, review the attached product renewal flyers, or contact your Anthem Sales Representative.

- [Anthem KeyCare Renewal Information for Benefits Managers](#)
- [Anthem BlueCareCare Renewal Information for Benefits Managers](#)
- [Anthem HealthKeepers Renewal Information for Benefits Managers](#)
- [Association Groups Renewal flyer](#)

We've updated the online Product Comparison tool to reflect the October 2008 benefit changes.

Group Broker Supply Lists Updated

We've added the following new materials to the Group Broker Supply List for Lumenos materials (click [HERE](#) to view the revised form). Now available for ordering are:

- [MANFQ161AEN POD \(6/07\)](#) Frequently Asked Questions About the Lumenos® Health Savings Account (HSA) Plan with Gift Card Reward
- [MANFQ158AEN POD \(6/07\)](#) Frequently Asked Questions About the Lumenos® Health Reimbursement Account (HRA) Plan
- [MANFQ157AEN POD \(6/07\)](#) Frequently Asked Questions About the Lumenos® Health Incentive Account (HIA) Plan

As a reminder, all Lumenos materials are ordered in packs, and each pack generally contains 25 individual pieces. For example: 1 pack = 25 pieces, 5 packs = 125 pieces, 10 packs = 250 pieces, and so forth. The minimum order quantity is one pack, but this gives you 25 pieces of the material you're ordering, or 25 collated kits, if you're ordering the Employer Sales Kit with inserts. When ordering, please specify how many *packs* you want, not pieces.

The Group Broker Supply List for other Group materials (click [HERE](#)) has also been updated. Please note that the Blue View Vision flyers are available only in electronic (PDF) format. They cannot be ordered from the warehouse.

Both revised order lists can be found on the broker web site at www.anthem.com. If you have questions about ordering materials, please contact your Anthem Sales Representative.

Keeping Husband and Wife Groups Eligible for Coverage

Husband and wife groups generally are set up as *sole proprietors*. By definition a *proprietorship* means that one person owns 100% of the company. However, as you know, it takes two contracts to be a group, and the second contract is often the spouse of the proprietor.

For the purpose of insurance and as certified by the group upon enrollment on the Small Business Eligibility Form, the non-owner spouse must be considered an employee and paid at least minimum wage for the hours worked with supporting wage and tax documentation (i.e. IRS Form W-2). Failure to pay the spouse as an employee indicates that the spouse is not eligible for coverage as a non-dependent. This may result in the group's coverage being declared invalid from the effective date. When we discover such situations, Anthem must take corrective action, which may include rescinding the group's policy.

Don't let your clients get caught in this situation! Please make sure they understand that marital relationships without wage and tax documentation do not grant eligibility for insurance. Please see Section II, Documents Required to Establish Coverage, in your Underwriting Guidelines, or speak with your Anthem Sales Representative, if you have questions about such matters.

[Individual Business Updates:](#)

Important Individual Business Underwriting Changes Effective

October 1, 2008

Updated Virginia Agent's Guide

As you know, we periodically review our underwriting guidelines to determine the need for any changes. As a result, we've revised your Virginia Agent's Guide (form #AVA1655) to adjust current requirements for a number of medical conditions, as outlined in the chart below. Below are highlights of some of the underwriting guideline changes effective for Individual business applications received beginning October 1, 2008:

Medical Condition	Previous Medical Guideline	New Guideline Effective 10/1/08	Page # in Updated Agent's Guide
Acne	Within 1 month - MR Over 1 month - Level 1	Within 12 months - MR Over 12 months - Level 1	Page 15
Adjustment Disorder	Within 3 months - Level 3 Over 3 months but within 9 months - Level 2 Over 9 months - Level 1	Within 1 year - QST Over 1 year - Level 1 Suicide attempt or hospitalization within past 5 years or diagnosed within past 90 days - D	Page 15
Anxiety	*The diagnosis must be made by a provider/medical professional. Applicants who have been hospitalized for depression within 1 year are not eligible for coverage.	Suicide attempt or hospitalization within past 5 years or diagnosed within past 90 days - D	Page 15
Attention Deficit Disorder	Within 1 year - Level 2 Over 1 year - Level 1	Suicide attempt or hospitalization within past 5 year - D Within 1 year - MR Over 1 year - Level 1	Page 16
Breast Disorders: Breast Disease (Not Cancer)	Operated Within 6 months - Level 3 Over 6 months - Level 1 Unoperated MR	Medical Review	Page 16
Cancer: Basal Cell Skin Cancer	Within 6 months - Level 3 Over 6 months - Level 1	Within 5 years - MR Over 5 years - Level 1	Page 16
Depression:	For Mild Only: Within 5 years QST	For Mild Only: Within 1 year QST	

Major	Over 5 years Level 1	Over 1 year Level 1	Page 17
Mild	* The diagnosis must be made by a provider/medical professional. Applicants who have been hospitalized for depression within 1 year are not eligible for coverage.	Suicide attempt or hospitalization within past 5 years or diagnosed within past 90 days - D Removed the * statement	
Genital Warts	Within 6 months - Level 3 Over 6 months - Level 1	3 or more STDs (sexually transmitted diseases) within 5 years OR Anal/Rectal Warts within 2 years - D Within 6 months - Level 3 Over 6 months - Level 1	Page 18

Abbreviation Key:

- **MR = Medical Review**
- **D = Denial**
- **QST = Medical Questionnaire**

Click [HERE](#) to view the updated version of the Fall 2008 Virginia Agent's Guide. The Agent's Guide will be updated on the next available Prospector Internet update, so please watch your email for announcements. Printed versions will also be available for ordering in the warehouse within [time frame TBD].

If you have questions, please call the Broker Sales and Retention Unit at 1-800-225-3611, follow the prompts and select Option 1.

Revised Triple Option Materials Available

Our updated Triple Option materials for Individual business are now available for ordering from the warehouse, as follows:

- [MVABR3730A \(8/08\)](#) - A Benefit Guide for KeyCare Flexible Choice, Essential KeyCare and KeyCare Preferred that replaces the older brochure form #916125.
- [901188 \(06/08\)](#) - A side-by-side benefit comparison chart for KeyCare Flexible Choice, Essential KeyCare and KeyCare Preferred

Changes Impact Individual Business HMO Plans

Periodically, Anthem and its affiliated HMOs review health care coverage documents that we provide to our members to determine whether any changes or clarifications need to be made. As a result of this process, we've made several changes that will impact our Anthem Individual HealthKeepers plans effective **October 1, 2008**. None of the changes require any additional premium.

Click on the links below for an overview of the changes:

- [Individual Choice/Individual Program/HMO Conversion Buckslip, form # IC/IP/HC \(10/2008\)](#)

- [Non-Group Conversion, form # NGC \(10/2008\)](#)

Members began receiving notice of the changes the week of September . They received the appropriate version of the attached flyers with a cover letter. Click [HERE](#) to view the member letter.

In a later mailing, members will receive a Summary of Benefits and an amendment to the Evidence of Coverage, which explains the benefit changes in detail.

As a reminder, HMO Conversion is the only Individual HMO product that is currently open to new sales. The other Individual HMO plans are closed to new entrants. **Please be sure to include a copy of the 10/1/2008 Changes Flyer IC/IP/HC (10/2008) with any sales kit sent out.** The HMO Conversion brochures available on the Prospector and on the broker web site at anthem.com are as follows:

- HMO Conversion - HealthKeepers, Inc. version - PVA1429 (3/08)
- HMO Conversion - Peninsula Health Care, Inc. version - PVA1430 (3/08)
- HMO Conversion - Priority Health Care, Inc. version - PVA1431 (3/08)

The brochures are available on the Prospector and on the broker web site at anthem.com

Individual KeyCare HSA 0-2 Dependent Rate Increase Delayed

On August 21, 2008, we communicated the following information about our Individual KeyCare HSA plan:

- Members in all premium levels receive a 15 percent base increase, effective October 1, 2008.
- Members age 0-2 years in Level 1 receive a 25 percent increase, plus the 15 percent base increase.

We have delayed the 25 percent additional rate increase noted in the second dot point above for ages 0-2 year-old KeyCare HSA dependents. The 25 percent rate increase originally scheduled to impact Individual KeyCare HSA premiums for dependent children ages 0-2 years in Level 1 will not be implemented as planned on October 1, 2008. Instead, it will be delayed until the product's next premium change.

Please note, however, that the 15 percent base premium increase effective October 1, 2008 still applies to dependents 0-2 in Level 1.

Healthy Solutions for Members

Our members receive a newsletter periodically that we'd like to share with you. Click [HERE](#) to view *Healthy Solutions* and see what we're saying to members in our under-65 Individual plans.

2009 HSA Contribution Limits Affect Individual KeyCare HealthSmart's Family Deductible Option

Members are allowed to contribute up to the annual maximum amount as long as they are enrolled in an HSA-compatible high deductible health plan as of December 1st of the tax year and

remain enrolled in the plan for 12 months. For 2009, the maximum annual contribution is \$3,000 for self-only (single) policies and \$5,950 for policies covering two or more people. These dollar limits may be adjusted for inflation each year for an annual cost-of-living increase.

To be considered HSA-compatible, a high deductible health plan (HDHP) must satisfy federal guidelines. In 2009, a HDHP is defined as a health plan:

- with an annual deductible that is not less than \$1,150 for self-only coverage or \$2,300 for family coverage; and
- the out-of-pocket expenses (deductible, copayments, and other amounts, but not premiums) do not exceed \$5,800 for self-only coverage or \$11,600 for family coverage.

Because of the new HSA contribution amounts set forth by the Internal Revenue Service for 2009, Anthem's Individual KeyCare HealthSmart "family" deductible option of \$2,250 will no longer be HSA-compatible as of January 1, 2009.

Members currently enrolled in an Individual KeyCare HealthSmart plan with a \$2,250 family deductible may choose to remain in the plan. However, their high deductible plan will no longer be HSA-compatible as of January 1, 2009, which means they will no longer be able to contribute to a Health Savings Account.

Members have been notified of this change in writing, and the attached buckslip will be included in all sales and new member kits. Click [HERE](#) to view the buckslip.

Pharmacy Updates

Additional Coverage Changes for Proton Pump Inhibitors (PPIs)

The information in the following article applies only to groups that have renewed or will renew with a benefit exclusion to exclude coverage of higher-cost prescription medications in drug classes with clinically equivalent alternatives.

Background

As you know, changes have been made in the way we manage and cover prescription drugs. In the case of drug classes where clinically equivalent alternatives have been documented by reputable research, certain higher-cost prescription drugs have been excluded from coverage while less costly, clinically equivalent alternatives continue to be covered. One class of drugs that was affected by the change was Proton Pump Inhibitors (PPIs). The two preferred, brand-name formulary/Tier 2 medications that are covered in this class are Prevacid® and Protonix®.

A generic for Protonix (pantoprazole) unexpectedly came to market in late 2007, even though the patent for the drug is still subject to litigation. Since pantoprazole didn't come to market the way generics usually do, the cost savings typically associated with generic medications has not been available for pantoprazole.

We recently evaluated the formulary status for pantoprazole. In keeping with our efforts to help ensure that we can continue offering affordable prescription drug coverage, effective October 1, 2008, pantoprazole will be excluded from benefit coverage in Virginia.

Members will have a choice of effective acid reflux medications that includes Protonix, Prevacid and omeprazole, which will be available in all states at the generic formulary/Tier 1 copayment. Omeprazole is currently covered in some states; it will be a covered medication

in all states effective October 1, 2008.

Please note: for groups and individual members that have not yet renewed with the drug coverage change, pantoprazole will be included in the list of excluded medications when they renew.

How We Are Communicating the Change

We're working hard to spread the word about this change, so members can make a smooth transition. Some steps include:

- Members who are current pantoprazole users

For groups that have renewed with the benefit exclusion, members will receive a letter 30 to 45 days prior to the implementation date. This letter will explain the coverage change and suggest other covered medications the member may wish to discuss with the prescribing physician.

- Doctors

Doctors will be alerted through our usual communication channels, so they can talk to patients about switching to a covered drug or over-the-counter options.

- Pharmacies

Pharmacies will be alerted in September through the quarterly newsletter, Network News and by communications to the headquarters of national pharmacy chains for distribution to their stores via corporate email blasts. The information will also be cascaded to the National Community Pharmacists Association and National Association of Chain Drug Stores.

- Employer Groups:

Employer groups that have already renewed prior to October 1, 2008 with the drug coverage change in place will receive a letter from the health plan regarding pantoprazole coverage changes 30 to 45 days prior to the implementation date. For groups that have not yet renewed with the clinically equivalent benefit exclusion, pantoprazole will be included in the list of excluded medications at renewal.

Important Information

PPI coverage changes for groups that have opted out of the benefit exclusion of higher-cost prescription medications in drug classes with clinically equivalent alternatives:

Pantoprazole (generic for the brand-name PPI medication, Protonix®) will continue to be covered as a generic formulary, or Tier 1 medication for groups with a tiered benefit design. In some states, omeprazole is also currently covered as a generic formulary/Tier 1 medication. After October 1, 2008, omeprazole will be available in all states.

If you have any questions about this change, please contact your Anthem sales representative.

New Generics Available

When a generic becomes available for a brand-name medication, customers have the

opportunity to save money by lowering their copayment. Several generic medications recently became available for purchase in the United States. Claims for the new generics will process with a Tier 1 copayment. The brand-name counterparts move to Tier 3 on most client formularies/drug lists and may be subject to the applicable Tier 3 copayment, depending on applicable state notice requirements.

These changes are effective October 8, 2008:

Brand Name	Generic Name	Indications
Activella tablet	estradiol/norethindrone acetate tablet	Menopause
Marinol capsule	dronabinol capsule	Nausea due to chemotherapy; appetite loss in AIDS patients
Risperdal tablet	risperidone tablet	Schizophrenia; bipolar mania
Yasmin tablet	drospirenone/ethinyl estradiol tablet	Contraception

Health plan members who have had a prescription for the medications listed above filled in the last six months received a letter informing them of the availability of the generic alternative. The NextRx mail service pharmacy is dispensing these generics. Customers will be charged their applicable generic copayment.

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