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VIRGINIA EDITION
GROUP BUSINESS
UPDATE

APRIL 2009

 PRINT  FEEDBACK

Anthem  **Advisor Update**
HEALTH | DENTAL | VISION | LIFE | DISABILITY

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ISSUE...

REMINDER: Register Today for Anthem's May 2009 Regional Broker Meetings

You're invited to attend Anthem Blue Cross and Blue Shield's Regional Broker Meetings in May. The theme of this year's meetings is to show Anthem's advantages in the marketplace. The format will be different from previous meetings, as we will not have a "General" session. Instead, we have planned an Open House format with exhibitor booths and two concurrent presentations given four times during the day. Lunch will be provided from 11:30 a.m. to 1:30 p.m.

Below are the dates and locations of the four regional meetings. Please click [HERE](#) to register online for one nearest you:

- May 5: Western Region, Sheraton (formerly the Roanoke Plaza Hotel), Roanoke
 - *Western Region attendees, please note that the Roanoke Plaza Hotel has recently changed its name to the Sheraton.*
- May 7: Mid-Atlantic Region, Hilton Garden Inn, Fairfax
- May 12: Eastern Region, Founders Inn, Virginia Beach
- May 14: Central Region, Richmond Sheraton West, Richmond

Meetings in each region start at 10 a.m. and end at 3 p.m.

[Time is running out! Sign up now for a May broker meeting, if you haven't already done so!](#)

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Upcoming Group Product, Benefit and Legislative Changes

New KeyCare "Buy-Down" Options!

New Standard Out-of-Pocket Increase Option of \$2000 Available on Anthem KeyCare 20, 25, 30, 500, 1000 and 2000

We are pleased to introduce two new buy-down options, which will be available to the 2 to 99 group market segment beginning July 1, 2009. The first is an option to increase the In-Network Out-of-Pocket (OOP) maximum (currently available in the 100+ group market segment only). This new \$2000 option will provide flexibility for our small group customers who want to reduce

cost by making a few changes to the benefit design, but still maintain a lower-end KeyCare copay product or a KeyCare deductible product.

The chart below reflects the adjusted In-Network and Out-of-Network maximums (highlighted in yellow):

Product	Standard OOP		Increase OOP by \$2000	
	In-Network	OON	In-Network	Out-of-Network
KC 20	3000/6000	4500/9000	5000/10,000	10,000/20,000
KC 25	2500/5000	3750/7500	4500/9000	9000/18,000
KC 30	3000/6000	4500/9000	5000/10,000	10,000/20,000
KC 500	2500/5000	3750/7500	4500/9000	9000/18,000
KC 1000	3500/7500	5250/10,500	5500/11,000	11,000/22,000
KC 2000	4000/8000	6000/12,000	6000/12,000	12,000/24,000

New 70/30% Coinsurance Option

Available on Anthem KeyCare 15 and Anthem KeyCare 20

The second option that will be available beginning July 1, 2009 is a coinsurance buy-down option, changing the standard coinsurance from an 80/20% to 70/30% (again, currently available in the 100+ market only). This option will also offer greater flexibility for our small group customers who want to reduce cost and make only a few changes to the benefit design, but still maintain a KeyCare copayment product. Many groups are not quite ready to make the "leap" to a deductible product and would like to retain their copay product.

The chart below reflects the benefit levels for the new 70/30% option (highlighted in yellow) compared to the benefit levels for existing plans:

Product	In-Network Benefit				OON Benefit		
	OV Copay	DED	Coin	OOP Limit	DED	Coin	OOP Limit
KC15 (Standard)	\$15/\$30	\$0	20%	\$2000/\$4000	\$400/\$800	30%	\$4000/\$8000
KC15 (70/30 Option)	\$15/\$30	\$0	30%	\$2500/\$5000	\$650/\$1300	40%	\$4500/\$9000
KC20 (Standard)	\$20/\$40	\$0	20%	\$3000/\$6000	\$500/\$1000	30%	\$4500/\$9000
KC20 (70/30 Option)	\$20/\$40	\$0	30%	\$3500/\$7000	\$750/\$1500	40%	\$5000/\$10,000

Benefit Changes to Anthem HealthKeepers Plans

Removal of 100 Unit Supply Limit

Effective July 1, 2009, the HMO pharmacy 100 unit supply limit will change for all Anthem HealthKeepers plans from a 30-day supply or 100 units (whichever is less) to a 30-day supply only. This change will streamline the product portfolio, as Anthem BlueCare and Anthem KeyCare products currently do not include the 100 unit limit.

Member Cost Shares Added

The following services currently do not require a member cost share on certain products. Adding member cost share can encourage member engagement as well as have a positive impact to cost of care. Cost share is being added beginning July 1, 2009 to the following services (NO impact to Essential and Standard and Value Advantage):

Skilled Nursing Services and Alignment of Benefit Maximum with BlueCare/KeyCare

Plans

The following outlines the new member cost share for skilled nursing services:

- Anthem HealthKeepers 10 (all versions) - 10% coinsurance
- Anthem HealthKeepers 15, 20 and 25 (all versions) - 20% coinsurance (after applicable deductible for plans with a deductible option)
- Anthem HealthKeepers 15/20 and 20/20 (all versions) - 20% coinsurance (after applicable deductible for retired plans with a deductible option)
- Anthem HealthKeepers 25/30 (all versions) - 30% coinsurance (after applicable deductible for retired plans with a deductible option)
- All "retired" products will also be adjusted accordingly

The **Benefit Maximum** will be aligned with BlueCare/KeyCare plans, changing from 100 days per illness or condition to 100 days/confinement - this change will improve concerns that the current benefit maximum can be deemed as a lifetime maximum if the member has a recurring illness/condition (this change also applies to Value Advantage).

In Addition...

- All Anthem HealthKeepers products will include a \$100 copay for Ground/Air Ambulance services
- All Anthem HealthKeepers products will include one Specialist copay per calendar month for Home Health services

Out-of-Pocket (OOP) Maximum Adjustments

We are adjusting OOP maximums on the following products:

- For Anthem HealthKeepers 25/30 - The OOP maximum will increase from \$2500/\$5000 to \$3000/\$6000. For All Anthem HealthKeepers Point of Service (POS) plans - OOP maximums move from combined to separate in-plan and out-of-plan OOP maximums.

POS Product	Current OOP Maximums	New OOP Maximums	
	Combined In and Out of Plan	In Plan	Out of Plan
AHK 10	2000/4000	2000/4000	3000/6000
AHK 15	2500/5000	2500/5000	3500/7000
AHK 20	3000/6000	3000/6000	4000/8000
AHK 25	3500/7000	3500/7000	4500/9000
AHK20/20	3000/6000	3000/6000	4000/8000
AHK 25/30	3500/7000	3500/7000	4500/9000

Benefit Changes to Anthem KeyCare Plans

- Anthem KeyCare 10 Plus will include a 10% coinsurance amount on skilled nursing services (facility only).
- The chart below shows the Anthem KeyCare copay products that will include a new coinsurance on Home Health Services:

Anthem KeyCare (KC) Plans		Home Health	
		Current	New
KC10, KC 10+ & KC 10 POS	Cost Share	\$0	10%
	Limit	90 visits/CY	90 visits/calendar year (CY)
KC 15, KC 15+, KC 15 POS, KC 20, KC 20+ & KC 20 POS	Cost Share	\$0	20%
	Limit	90 visits/CY	90 visits/CY
KC 25, KC 30 & KC 30/2000, KC 100-- - KC 2000	Cost Share	20% aft Ded	20% after Ded
	Limit	unlimited	90 visits/CY
Anthem Limited 30/30	Cost Share	30% aft Ded	30% after Ded
	Limit	unlimited	90 visits/CY
KC 30/30	Cost Share	30%	30%
	Limit	unlimited	90 visits/CY

Cost Share	No Impact	
Limit	unlimited	90 visits/CY

NOTE: Anthem BlueCare 15 and Anthem BlueCare 20 also will include a 20% coinsurance on Home Health Services as of July 1, 2009.

Benefit Changes to Anthem BlueCare Plans

Addition of Member Cost Share and Benefit Maximum Alignment:

The following service currently does not require a member cost share on certain products. Adding member cost share can encourage member engagement as well as have a positive impact to cost of care. Cost share is being added beginning July 1, 2009 to the following service:

Home Health Services

The following Anthem BlueCare copay products are being revised to include a coinsurance:

- Anthem BlueCare 15 - 20% coinsurance
- Anthem BlueCare 20 - 20% coinsurance

The **Benefit Maximum** will be aligned on all Anthem BlueCare deductible products to include the standard BlueCare/KeyCare Home Health Services benefit limit. (There is NO impact to Essential and Standard products.)

Contraceptive Coverage is Now an Embedded Benefit

To bring consistency with changes in the marketplace as well as our entire product portfolio, **we are expanding our KeyCare and BlueCare plans to include contraceptive coverage** and will be eliminating the optional contraceptive rider. This enhancement in coverage will be included in all KeyCare and BlueCare plans beginning July 1, 2009.

This change does not impact our Standard and Essential products as coverage is already included.

Expansion of Domestic Partner Rider

The availability of one of the existing Domestic Partner riders (Domestic Partners and Their Children) will be expanded to the 51 to 99 group market segment beginning July 1, 2009 (available to all products). This option expansion will bring consistency among more markets, as these riders have only been available to groups with 100+ employees. We currently are unable to expand down to the 2-50 market due to system constraints.

Product Retirements

As part of our effort to simplify our existing product portfolio, we will retire the following products, effective July 1, 2009, for new and renewing sales:

Anthem ByDesign (ABD)

Anthem ByDesign was discontinued January 1, 2008 with the launch of our Lumenos products. Beginning July 1, 2009, existing accounts will be migrated at renewal to a Lumenos product as outlined below:

- | | |
|---------------------------|---|
| • ABD 1200/2400 100% plan | Migrate to Lumenos GHSA 66* (3)1500/3000 100% |
| • ABD 1200/2400 80% | Migrate to Lumenos GHSA 5 1500/3000 80% plan |
| • ABD 3000/6000 100% plan | Migrate to Lumenos GHSA 67* (10) 3000/6000 100% |
| • ABD 3000/6000 80% | Migrate to Lumenos GHSA 11 3000/6000 80% plan |

Anthem HealthKeepers

Anthem HealthKeepers 15/20 and 15/20 POS (includes all versions EXCEPT deductible options) will be eliminated due to low enrollment. Effective July 1, 2009, existing accounts will be migrated at renewal to:

- Anthem HealthKeepers 15/20 Migrate to AHK 20/20 (includes all versions except deductible options)

Reduce Anthem BlueCare Product Portfolio

Anthem BlueCare Indemnity products are no longer in demand in the market, and we have seen enrollment decline over the last several years to 1.1% of total enrollment. Beginning July 1, 2009, NO new sales will be allowed into the Anthem BlueCare product portfolio.

As a result, the Anthem BlueCare product portfolio will be reduced to four copay and four deductible products. These core 8 products (7 products in the 2 to 99 group market segment) contain a majority of the current Anthem BlueCare enrollment (approximately 12,841 members as of June 2008). Groups currently enrolled in one of these products will be allowed to renew or downgrade to one of the other retained products listed below:

- Anthem BlueCare 15, 20, 25 and 30
- Anthem BlueCare 200, 300*, 500 and 1000 (*100+ market only)

The following Anthem BlueCare products will be eliminated and existing accounts/members will be migrated at renewal to the designated Anthem KeyCare product. If a group insists on remaining on Anthem BlueCare, they must select a BlueCare product from the core products above. This is a change from previous product elimination strategy, as we recognize that an indemnity product is a necessity for a few accounts.

- | | |
|---|-----------------------------------|
| • Anthem BlueCare 100 & 100/90 | Migrate to Anthem KeyCare 100 |
| • Anthem BlueCare 200/90 | Migrate to Anthem KeyCare 200 |
| • Anthem BlueCare 250, 250/70 & 300/70 | Migrate to Anthem KeyCare 300 |
| • Anthem BlueCare 500/70 | Migrate to Anthem KeyCare 500 |
| • Anthem BlueCare 750, 750/70 & 1000/70 | Migrate to Anthem KeyCare 1000 |
| • Anthem BlueCare 2000 | Migrate to Anthem KeyCare 2000 |
| • Anthem BlueCare 10 | Migrate to Anthem KeyCare 10 |
| • Anthem BlueCare 30/2000 | Migrate to Anthem KeyCare 30/2000 |
| • Anthem BlueCare 30/30 | Migrate to Anthem KeyCare 30/30 |

New Pharmacy Plans

Generic Premium is a new cost-effective pharmacy plan that combines a generics-based formulary with select brand name medications, including select specialty medications. Generic Premium provides an alternative for employers who are looking for a more affordable option. The Generic Premium plans will offer employers attractive mail pricing that is equal to or better than retail pricing. Recently introduced in the 100+ group market market, Generic Premium will be available in all market segments effective July 1, 2009.

Generic Premium Details:

- Generic Premium will be a [Closed Formulary](#) benefit
- Non-formulary drugs are not covered and network discounts will not apply to non-formulary drugs.
- Mail Order copays will be 1x/2x/3x (example: \$15 Tier 1, \$60 Tier 2, \$180 Tier 3)
- Refill By Mail is a standard feature, meaning that after customers receive up to three fills of a maintenance medication from a retail pharmacy, subsequent fills must be ordered from the NextRx mail service pharmacy
- The list of covered brand drugs is reviewed and updated annually
- Specialty drugs must be obtained from PrecisionRx Specialty Solutions
- Plans have an annual \$3,500 out-of-pocket maximum and third tier per script max (\$200 retail and \$400 mail order)
- Plans are available on all medical products except Lumenos, Anthem Limited 30/30 (2-99) and Essential and Standard (2-50).
- Plans can be offered in a Blue Advantage pairing, such as Anthem HealthKeepers 10 with \$10/\$20/\$35 or 20% and Anthem HealthKeepers Value Advantage 25/500 with

Two Generic Premium plans are available:

Generic Premium Plans	Market Segment
\$10/30/50 or 20% retail; \$10/60/180 or 20% mail	All
\$15/30/60 or 20% retail; \$15/60/180 or 20% mail	100+ only

We have created four new prescription drug benefit summaries for the Generic Premium plans, as follows:

- [Anthem HealthKeepers Generic Premium 10-30-50 or 20%](#)
- [Anthem HealthKeepers Generic Premium 15-30-60 or 20%](#)
- [Anthem KeyCare/BlueCare Generic Premium 10-30-50 or 20%](#)
- [Anthem KeyCare/BlueCare Generic Premium 15-30-60 or 20%](#)

New Pharmacy Option (100+ market only)

Refill By Mail is a new pharmacy option that helps employers gain control of pharmacy costs by steering their employees who use maintenance medicationz for chronic conditions - such as diabetes, arthritis or high blood pressure - to the mail service pharmacy. Fewer, lower copays and convenient home delivery can help encourage better medication compliance. This can lead to healthier employees, higher productivity and lower health care costs.

Employees are allowed three fills at a retail pharmacy. After that, remaining refills are managed by our mail-service pharmacy. This benefit will be available as an option for all standard drug plans for the 100+ group market only.

Refill By Mail Details:

- After 3 fills of a maintenance drug at a retail pharmacy, the member must use the our mail-order service
- After the third fill, if the member continues to use a retail pharmacy, the member will pay the full retail cost
- Refill By Mail is available on all medical products with the exception of Lumenos products

Prescription Drug Mail Copayment Changes

Mail service encourages medication compliance through fewer, lower copays and convenient home delivery. To encourage greater use of this convenient service, we're changing our mail-order copays, effective with new sales or renewals beginning July 1, 2009. Following is an example of our new copayment structure for all Anthem HealthKeepers, Anthem KeyCare and Anthem BlueCare prescription drug plans:

EXAMPLE for a \$10/\$30/\$50 or 20% prescription drug plan:

Current mail order copay structure is 2 times the retail copayment for a 90-day supply:

- Mail Copay: \$20/\$60/\$100 or 20% (\$400 per script max) for 90 day supply
(2x/2x/2x)

The **new** mail-order copay structure varies the copayment by tier (1x/2x/3x):

- \$10/\$60/\$150 or 20% (\$400 per script max) for 90-day supply

Anthem Lumenos Plan Changes

We're changing the Anthem Lumenos 100% plans to include a drug copayment after the deductible is met to continue to engage consumers with appropriate cost share for prescriptions. As a result, we are increasing the out-of-pocket (OOP) maximums to incorporate the additional drug copays. Existing 100% plans will migrate to the new plan designs beginning with July 1, 2009 new sales and renewals. No grandfather provision will apply. Here are the product change details for the 100% plans:

- Prescription drug copays apply only after the deductible has been met. The member pays 100% of the prescription cost until the deductible is met.
- Drug copays will apply to the medical OOP, so the in-network out-of-pocket limits are being increased.
- Available HRA account funds will be used to pay prescription drug copay
- HSA account funds can be used to pay prescription drug copays at the member's discretion
- The new standard mail-order copay configuration will apply (i.e.: 1x/2x/3x)
- Existing Lumenos drug policy applies
 - No mandatory generic required
 - Contraceptives are covered
 - Specialty drugs must be obtained from PrecisionRx Specialty Solutions

We have revised the Lumenos Consumer Driven Health Plans materials accordingly and will release an updated order supply form in the near future. In the meantime, please refer to the broker web site at *anthem.com*.

Legislative Updates

Mandate-lite Provision

Many of you may have heard about the so-called "mandate-lite" provision passed by the General Assembly, which takes effect on July 1, 2009, and allows health insurers to offer and sell group health insurance policies or contracts that do not include select state mandated health insurance benefits to employers with 50 or fewer employees to provide coverage for employees. The intent is to increase the availability of basic health insurance to small businesses in the state.

The following preventive care state mandates cannot be carved out:

- Mammography screenings,
- Pap Tests,
- PSA tests and
- colorectal cancer screenings.

At Anthem, we are currently evaluating our options, and if we choose to move forward with a product or products designed with this provision in mind, we will communicate the details accordingly.

Federal Mental Health Parity and Addiction Equity Act (51+ Fully Insured and ASO)

The Act, which becomes effective on October 3, 2009, requires that health plans provide "parity", or equal coverage, for medical and surgical benefits and mental health and substance abuse benefits. This means that copayments, coinsurance, deductibles, limits, out of pocket maximums, out of network benefits, etc. must be evaluated for parity for compliance. The Act affects all fully insured and self-insured health plans covering 51 or more employees and will take effect for most plans on the next renewal date on or after October 3, 2009.

We have confirmed that all of our standard group health products are currently equal to or greater than parity. However, please note that our Anthem HealthKeepers Point of Service (POS) plans which include out-of-plan benefits will be updated as follows:

- Out of Plan prior authorization for outpatient mental health services is being removed beginning July 1, 2009

Related changes coming in October 2009 include:

- All ASO BlueCare/KeyCare 100+ accounts with a standard mental health rider/option and/or customized mental health benefit must adhere to the Act beginning October 3, 2009
- All ASO BlueCare/KeyCare 100+ standard mental health riders/options (visit/day limits) will be eliminated beginning October 3, 2009

Michelle's Law

This law amends ERISA's continuation of coverage provision related to ill or injured college students and ensures that seriously ill college students can continue to receive health care insurance through their family's health insurance policy, even if they are unable to maintain their full-time student status.

Materials Update

Many of our materials are being revised and reprinted to reflect the changes taking place July 1, 2009. We will notify you when materials are available and ready for ordering.

For your convenience, we've attached the updated renewal flyers here:

- [Anthem HealthKeepers Renewal Information for Benefit Managers](#)
 - [Anthem KeyCare Renewal Information for Benefit Managers](#)
 - [Anthem BlueCare Renewal Information for Benefit Managers](#)
-

Other News and Reminders

NextRx and Express Scripts Announce Agreement

Recently, our parent company, WellPoint, Inc., and Express Scripts, Inc. jointly announced a definitive agreement whereby WellPoint will sell NextRx and PrecisionRx Specialty Solutions and enter into a long-term strategic alliance with Express Scripts for pharmacy benefit management, mail-order services and specialty pharmacy medications.

The transaction will allow us to deliver Express Scripts' enhanced state-of-the-art pharmacy benefit management services to our members and employers in a more cost-effective way.

We're committed to making this transition seamless for our members and customers. They'll be able to receive the same drugs, from the same pharmacy, with the same benefits as they receive today. Our retail pharmacy networks, mail-order services, ID cards and customer service numbers will remain the same. Over time, we expect programs will evolve to reflect the implementation of Express Scripts' industry-leading practices. We're focused on improving the overall customer experience by enhancing Web site, mail-order and customer service capabilities and improving account reporting for our customers.

For more details, please read the attached [press release](#).

Lumenos Reminder

This is a reminder to all brokers who are selling our Lumenos products. With the mid-year changes approaching, some of our Lumenos plans will migrate to other plan designs on July 1, as explained above. To help ensure that members get the right coverage on their effective date, please make sure your groups receive their paperwork in early.

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