NewsfromBlue

IMPORTANT UPDATES FOR BENEFIT ADMINISTRATORS

July 2008



Hot Off the Press: Florida Blue New and Improved

Get the latest health news and information in the new and improved, redesigned *Florida Blue* member magazine. Filled with information and tips on leading a healthy lifestyle and an interview with Gloria Estafan, *Florida Blue* will arrive in members' homes mid-July! Find out why the magazine is so popular. It will also be available online in English and Spanish.

Our Changing Industry: Consumer Directed Health Plan Solutions

Employers and health plans pushing health care consumerism expect that involving consumers in health care decisions will result in healthier members and reduced costs. Consumerism in health care simply refers to individuals evaluating, purchasing and using health care products and services. Consumer-driven products—including high-deductible health plans, health savings accounts (HSAs) and health reimbursement accounts (HRAs)—demand a major shift in how individuals think about and engage with their health care.

CDHP benefits include improved affordability, quality, convenience and satisfaction through:

- Lower costs
- Tax advantages
- Attracting and retaining valuable employees
- Reduced absenteeism, increased productivity
- Increased employee awareness, accountability, ownership

Driven by market forces, health care is becoming increasingly unaffordable—and the pace of change in our industry is faster and even more intense. Health insurance premiums are increasing at a rate that far exceeds income levels. In a five-year period in Florida, premiums increased 29%, whereas income increased only 2%. Consumers are responding by going uninsured or purchasing lower premium, higher out-of-pocket plans.

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Please contact your Blue Cross and Blue Shield of Florida representative if you have any questions.

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Blue Cross and Blue Shield of Florida's mission to advance the health and well being of everyone in Florida is supported by our goals to be the top low-cost producer—by improving our own costs and processes, along with developing innovative, low-cost products.

By the year 2012, the population enrolled in consumer driven health plans (CDHPs) is projected to grow to 70 million from 13 million this year. Now, more than ever, consumers are seeking information about their health coverage and looking for guidance on how to effectively navigate the health care system.

"Selling across the marketing continuum is crucial to assuaging the fears of hesitant employers and increasing CDHP adoption among uncertain consumers," according to a report published by Forrester Research.

We have several capabilities focused on informing and engaging consumers, providing them with a better understanding of the health care options available to them, and explaining how they can get the most value from their health care budget. Our current capabilities and programs that promote customer engagement include:

- Tools such as **CareCalc**® and the **magnetic stripe ID card**, which allow physicians and providers to quickly and easily calculate our members' financial responsibility. CareCalc now includes real-time claim adjudication.
- **MyBlueService**SM—offering members secure access to health-related information like claims history, claims status and calendar year deductibles.
- **Disease Management** that provides our members with trusted resources for obtaining the information and services they need to effectively manage and make decisions about specific health conditions.
- **Educating consumers** through value added services and resources such as our WebMD® Tools, (Hospital AdvisorSM, Physician Selection AdvisorSM, Healthcare AdvisorSM, Treatment Cost AdvisorSM, Personal Health Advisor); Health Dialog® services (Health Coaches 24x7, Health Assessments, Lifestyle Improvement and Health and Wellness Resources), discounts through BlueComplementsSM, MyRxHealth to assist with prescription drug information and HSA calculators through ACS/Mellon.

The objective of our most recent initiative, "The Power of the Human Voice" is to listen and respond to our customers' needs, by engaging everyday people in an ongoing dialog about health care. Their insight and opinions will help us develop new, personalized solutions in addition to what we already offer, as outlined above.

Clearly, there is no single answer for improving quality and value and expanding coverage. We all must take an active role in listening to and understanding our customers' diverse perspectives and health care needs. Meaningful change will depend on thoughtful, coordinated contributions from everyone—and it will require payers, patients, providers and policymakers to accept responsibility for taking part in the solution.

As leaders in the healthcare community for more than 75 years, we look forward to working with all stakeholders to make quality healthcare affordable and accessible for all Floridians.

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CDHP You Should Know…

The Internal Revenue Service (IRS) has issued Revenue Procedure 2008-29, which contains the inflation adjusted amounts for the minimum annual deductibles, maximum annual out-of-pocket expenditure limits and annual contribution limits for 2009 health savings accounts (HSAs). The IRS Revenue Procedure was published on June 2, 2008 in Internal Revenue Bulletin 2008-22.

Below are the 2008 and the new 2009 adjusted IRS HSA minimum and maximum amounts.

	Tax Year	
	2008	2009
Minimum Annual Deductible (Self-only Coverage)	$1,100	$1,150
Minimum Annual Deductible (Family Coverage)	$2,200	$2,300
Annual Out-of-Pocket Limits (Self-only Coverage)	$5,600	$5,800
Annual Out-of-Pocket Limits (Family Coverage)	$11,200	$11,600
Annual Contribution Amount (Self-only Coverage)	$2,900	$3,000
Annual Contribution Amount (Family Coverage)	$5,800	$5,950
Catch up contribution for individuals 55 years and older	$900	$1,000

NOTE: BCBSF offers only the high-deductible health plan to be used in conjunction with the Health Savings Account (HSA). For more information on the tax advantages and implications of an HSA, contact your legal or tax advisor.

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The Power of Human Voice

We first introduced you to The Power of the Human Voice in May. We're pleased to share the success we've had thus far – over 28,000 calls that have resulted in more than 300 recordings – all of which will help us understand consumers and their health care needs. More to come!

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NetworkBlue Update

Click here to view a listing of providers that have recently joined NetworkBlue℠.

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OptaComp: New Name for Workers' Compensation Subsidiary

One of our subsidiaries, Comp Options Insurance Company, Inc., (COI), has provided workers' compensation management to many of the state's foremost employers and major public entities over the last decade. To focus on delivering significant, measurable cost benefits to employers through superior outcomes and overall value, COI has introduced a "game-changing" business model which is pro-injured worker, pro-employer and pro-clinician.

To better reflect the philosophy for which this business model operates, COI's name is changing to OptaComp®—the optimal model for worker's compensation management. An industry first, this model serves as a single source solution by bringing alignment to every aspect of workers' compensation management: medical, legal, regulatory, safety/loss-prevention and stay-at-work practices. The key difference between OptaComp and the competition is that OptaComp delivers a uniquely comprehensive, integrated, criteria-based service model that benefits the employer, the injured worker and the clinician.

This name change is effective August 1. OptaComp will remain a subsidiary of Blue Cross and Blue Shield of Florida.

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