

Brief Notes

News for
Brokers and Consultants

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Three Penn Plaza East, Newark, NJ 07105-2200

Applies to: Insured Mid-size and large groups

Option to Make Retroactive Out-of-Network Reimbursement Changes

In order to address concerns that Horizon Blue Cross Blue Shield of New Jersey was not offering products on a consistent basis in the marketplace, mid-size and large group customers who selected the Centers for Medicaid & Medicare Services (CMS) fee schedules for out-of-network reimbursement may reconsider their selection and change to the FAIR Health fee schedule for renewals effective on or after **January 1, 2014**. The change may be made retrospectively. Groups have **60 days** from the date of this *Brief Notes* to request this change.

Brokers must communicate this option to their customers in writing through their standard channel of communication. A sample letter announcing this change is attached to this *Brief Notes* for your use.

FAIR Health uses actual, nondiscounted provider charges to develop the usual and customary rates and will generally be more expensive than a comparable percentile of the CMS-based fee schedule. Please note that CMS is adopted by most health insurance plans nationally to develop both participating and nonparticipating rates and is more cost effective for most groups. Selecting FAIR Health at comparable percentiles will generally lead to higher cost for the group customer.

To receive a new quote, please contact your Horizon BCBSNJ sales executive or account manager.



Horizon Blue Cross Blue Shield of New Jersey



Horizon BCBSNJ offers integrated medical, dental, vision and prescription drug plans. Contact your sales executive today to learn more.

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BB-2426 (W0114)

<<Date>>

<<Group Name>>

<<Address 1>>

<<Address 2>>

<<City, State ZIP>>

Dear Group Administrator:

At your group health plan's renewal this year, your organization selected the Centers for Medicare & Medicaid (CMS) fee schedule for out-of-network reimbursement for your plan with Horizon Blue Cross Blue Shield of New Jersey. We would like you to know that in order to address concerns that Horizon BCBSNJ was not offering products on a consistent basis in the marketplace, FAIR Health reimbursement options are now available through Horizon BCBSNJ as an alternative to the CMS out-of-network reimbursement fee schedule you selected. Horizon BCBSNJ will permit retroactive changes to your 2014 renewal date for your fee schedule selection; any change will need to be completed by April 12, 2014.

The CMS fee schedule is used nationally by most health insurers and benefits your employees by providing a cost advantage and transparency. The CMS fee schedule is independent and reliable because it consistently avoids the data manipulation and inflation often seen in charge-based profiles that are developed using providers' actual charges.

FAIR Health uses actual, nondiscounted, provider reimbursement structure charges for private sector health care services. The percentiles available to group customers vary. While FAIR Health may not be the most cost-effective choice because it provides higher reimbursement rates to providers, some groups have selected this option. Premium costs are generally higher for plans with FAIR Health reimbursement options when compared to comparable CMS reimbursement percentiles and any retroactive change will result in higher premiums.

Please contact us for specific information regarding the percentiles available to you and to obtain a quote if you are interested in selecting a FAIR Health-based schedule for your out-of-network reimbursement fee schedule.

Sincerely,

<<Broker Name>>

<<Title>>