

Brief Notes

*News for
Brokers and Consultants*

December 14, 2016

Applies to: Small Employer Market

Changes Announced for Small Group Out-of-Network Reimbursement

The Small Employer Health Benefits (SEH) Program recently changed its regulations for the payment of out-of-network (OON) benefits accessed on a voluntary basis (non-emergent and non-urgent). Previously, insurance companies were required to pay covered charges for OON providers using either the allowed charge of 80 percent of Prevailing Healthcare Charges (PHCS) or the actual charges.

The SEH Board has eliminated the use of the PHCS standard for allowed charges as of January 1, 2017. The Board requires carriers to specifically identify the standard they use for the determination of allowed charges in the payment of OON voluntary claims.

Effective **January 1, 2017**, Horizon Blue Cross Blue Shield of New Jersey will use an OON reimbursement methodology of 110 percent of Medicare's allowance as its method of reimbursement for voluntary OON services for small employer plans.

Existing groups that have OON benefits will have this change implemented upon their renewal and will receive a compliance and variability rider identifying the methodology used by Horizon BCBSNJ to determine the allowed amount for OON services.

This change does not apply to plans issued prior to the Affordable Care Act that were allowed to continue under the federal transition rule (grandmothered plans).

If you have questions, please contact your Horizon BCBSNJ sales executive or account manager.



Horizon Blue Cross Blue Shield of New Jersey

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