

# PRODUCER UPDATE



**BlueCross BlueShield of Illinois**

300 East Randolph Street • Chicago, Illinois, 60601

**We're Pleased to Introduce a Fresh, New Look  
for Producer Communications.**

**We Hope You Enjoy the Change!**

## **An Important Message from William Trees, Producer Marketing Executive**

*Each year at about this same time you receive a mailing from us detailing upcoming rate changes for under-65 individual and old small group business. Over the last couple of years, we appreciate that message has been challenging due to increases that were sometimes difficult, making affordability an issue for some of your clients.*

*Modest Rate Changes for July 1, 2004 – under 4% for new business rates!*

*I am happy to tell you that our rate changes have returned to the more modest levels you had come to know and expect from us. In fact, our new business adjustments are under 4%!*

*Our commitment to your business and the marketplace is as strong as ever. Read on for additional details.*

*There's a reason you have Blue Cross products in your portfolio and over 4,000,000 Illinois residents know why, too. You and your clients know you can depend on our financial strength and stability along with our ability to provide competitive products and unsurpassed customer service. Please read the enclosed information carefully and contact your Marketing Consultant or General Agent with any questions you may have.*

*There's only one Blue Cross and Blue Shield of Illinois and we thank you for your business.*

A handwritten signature in black ink that reads "William J. Trees".

*William Trees, CLU, ChFC, RHU, REBC*

BCBSIL

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## ***Upcoming Rate Changes: Individual Under-65 and Old Small Group Plans***

Effective July 1<sup>st</sup>, Blue Cross and Blue Shield of Illinois will implement a very modest new business rate increase for the following individual under-65 products: SelectBlue, BlueValue, Traditional Blue, BasicBlue and the High Deductible Plan.

Existing individual under-65 and old small group plans will also experience moderate rate changes beginning July 1. *NOTE: Children's Major Medical and Children's Alternative plan rates are **not** changing at this time.*

The following charts outline the rate changes for July 1.

### **New Business Rate Increase Effective July 1, 2004**

|  |            |
|--|------------|
| SelectBlue, BlueValue, Traditional Blue, BasicBlue, and the High Deductible Plan | 0% to 3.5% |
|--|------------|

## **A New Individual Under-65 Ratebook and Software**

You'll find an updated individual under-65 rate book and High Deductible Plan rate card have been enclosed. Updated Illustration software is also enclosed. Please begin to use these new materials immediately for new business effective July 1st.

## **IN-FORCE BUSINESS**

|   | <b><u>Rate Change (at renewal)^</u></b>   |
|---|---|
| <b>Series 3</b>                                     |   |
| SelectBlue, BlueValue, Traditional Blue & BasicBlue | <b><u>Policy effective dates:</u></b> <ul style="list-style-type: none"><li>• prior to 7/1/00 0% to 3.5%</li><li>• 7/1/00 to 7/1/02 3.5% to 10%</li><li>• 7/1/02 to 6/30/03 +6% to 10%</li><li>• 7/1/03 to 6/30/04 +6% to 10%</li></ul> |

<sup>^</sup> Effective on the first billing cycle after the expiration of the rate guarantee period on or after 7/1/04.

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## IN-FORCE BUSINESS continued...

| <b>Series 2</b>   | <b><u>Rate Change (at renewal)^</u></b> |             |
|---|---|-------------|
| <b><u>Individual/Family</u></b>   | <b><u>Policy effective dates:</u></b>   |             |
| Comprehensive Major Medical<br>Plus, Preferred Major Medical,<br>The Alternative, High Deductible<br>\$2250, and High Deductible Plan | • prior to 10/1/95                      | +6% to 10%  |
|   | • 10/1/95 to 6/30/03                    | +6% to 10%  |
| The High Deductible Plan  | • 7/1/03 to 6/30/04                     | +2.5% to 7% |
| <b><u>“2-9” Small Group</u></b>   |   |             |
| Comprehensive Major Medical<br>Plus, Preferred Major Medical,<br>Small Group Alternative  |   | +12%        |
| <b><u>Series 1/1M Individual</u></b>  |   |             |
| Comprehensive Major Medical<br>Plus, Participating Provider Option  |   | +13%        |
| <b><u>Series 1M Small Group</u></b>   |   |             |
| Comprehensive Major Medical<br>Plus, Participating Provider Option  |   | +13%        |

<sup>^</sup> Effective on the first billing cycle after the expiration of the rate guarantee period on or after 7/1/04.

### ***Introducing a Processing Change for Faster Turn-Around of Your Under-65 Applications***

Beginning in May, Blue Cross and Blue Shield of Illinois will be changing the vendor we use to obtain medical records as part of the underwriting process. The new vendor will be RSA Medical Group.

RSA Medical Group is expected to offer us two important advantages, namely:

- Faster turn-around time obtaining medical records;
- More frequent status updates on our requests.

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An added benefit is that you, the Producer, will be able to receive more frequent updates through our Customer Service department at several points throughout the process. It will no longer be necessary to contact the vendor separately.

## *Phone Interviews Also Moving to New Vendor*

We will also begin sending some of our underwriting phone interviews to RSA Medical Group beginning in May. In order to assure quality, this transition will proceed gradually over the next few months.

RSA Medical Group has extended service hours. They are as follows:

Monday through Friday: 8 am to 9 pm  
Saturdays: 9 am to 1 pm

As with the new medical records process, as we transition our phone interviews, you will be able to retrieve updates through our Customer Service department for your convenience.

We're excited about this new relationship and believe it will allow us to process your under-65 business faster and more efficiently. We'd appreciate your feedback on these changes and look forward to continuing to work with you.

## *Introducing Form Number Changes for Your Sales Materials*

As part of an initiative to improve our supply management processes, we are introducing a new form numbering system for Blue Cross and Blue Shield of Illinois sales materials. The new numbers will be phased in over the upcoming months.

For an example of this change, see the enclosed rate book. It used to be "OB3952" and is now 30048.0704 IL. As a general guideline, form numbers will no longer begin with "OB." Instead, you can expect to see materials identified as being in the "30000" series.

Our supply requisition forms will be updated periodically in the future to reflect these changes. In the meantime, continue to order materials as usual. No matter what the number, we'll make sure your supply requests are filled in the timely manner you've come to know and expect from us. Thank you for your cooperation.