



**BlueCross BlueShield  
of Illinois**

February 15, 2006

## **Producer News**

### **Turn Prospects into Clients with Our New Medicare Supplement Plans K and L**

Blue Cross and Blue Shield of Illinois is continually looking for ways to help your prospects save money — and for you to increase your sales!

We are pleased to announce the availability of our two new Medicare Supplement plans — Plan K and Plan L — which offer your clients increased cost-sharing choices in return for lower plan premiums. And when we say “lower premiums,” here’s what we mean: For a person aged 65, the monthly premium for Standard-State Plan K is \$60. Choosing the Med-Select Plan K lowers the premium to \$56!

Plans K and L are also ideal for clients who are looking to balance benefits and cost when they combine their coverage with one of our prescription drug plans. In fact, a combined package of Plan K or Plan L with a Blue MedicareRx<sup>SM\*</sup> prescription drug plan may even cost less than a Medicare Supplement Plan F!

Another great way to promote Plans K and L is to offer them as an option for turning-65 prospects who currently have savings from a previous MSA or HSA and who are converting to a Medicare Supplement plan. Advise them that they can apply those savings to the out-of-pocket costs for which they’d be responsible with Plans K and L.

One of the best Med-Select hospital networks just got better! **There’s a new in-network hospital, St. John’s, in Springfield, IL.** The effective date is February 1, 2006. This is great news for everybody! Remember, the Med-Select network offers a 5% to 30% pricing advantage for your customers. And, Med-Select network hospitals waive the \$952 Part A deductible, and the savings is passed on to your customers!

We’re confident you’ll find these two plans provide you with a great new sales opportunity — especially for those prospects that are very cost conscious. ***In fact, we’ve already received our first Plan L application and issued our first Plan L policy!***

Get your marketing materials today, take advantage of the great sales features of Plan K and Plan L, and turn those prospects into clients! To print or order these materials, go online to [www.bcbsil.com/dmagents](http://www.bcbsil.com/dmagents). For additional information on Plans K and L, please reference our salespack and outline of coverage.

**IMPORTANT:** Keep in mind that there is a separate Policy Checklist for Plans K and L. **The checklist form is #30346.** When selling these two plans, do not use the checklist form for Plans A, C, D, E and F.

### **Discontinuation of Under 65 High Deductible Plan**

As part of refining our consumer focused strategy, we are updating our product portfolio to include only those products that take advantage of our contracted provider discounts. Effective immediately, we are no longer selling our old High Deductible Plan (HDP). In its place we are promoting the new BlueEdge HSA portfolio.

\* Blue MedicareRx, available through BCBSIL, is a Medicare Prescription Drug plan offered by HCSC Insurance Services Company, an Independent Licensee of the Blue Cross and Blue Shield Association, under contract S5715 with the Centers for Medicare and Medicaid Services.

HDP applications in process will be handled the following ways:

- Applicants who have successfully completed underwriting as of February 8, 2006 will be offered the HDP. The policy will become active upon receipt of premium.
- If you have submitted an application for an applicant who has not completed underwriting as of February 8, 2006, you will be sent a letter explaining the options available to your client. As an alternative, the BlueEdge HSA will be offered in the following deductibles: \$1,750 individual/\$3,500 family; \$2,600 individual/\$5,200 family; \$5,000 individual/\$10,000 family.
- Applications received on or after April 1, 2006 will be returned to the Producer and will not be processed.

Existing HDP members will be transitioned over to other products in the portfolio by the end of 2006. To facilitate the transition, broker incentives will be put in place to ease the transition. Look for additional information to follow in the mail.

## **Update on Availability of New HSA Materials**

Many of you have inquired about when the new Health Savings Account\* (HSA) sales materials, featuring the new \$1,050 individual/\$2,100 family deductible, will be available. At this time the new materials (applications, outline of coverage) are not available. We are still awaiting approval by the Illinois Department of Insurance (IDOI). So in the meantime, we recommend that you offer the \$1,750 deductible. As soon as the materials are approved and available, we will inform you.

Please note: For approved applications currently in underwriting with the \$1,000 deductible, policies will be issued with an amendment, showing that the deductible has been changed to \$1,750.

## **Medicare Supplement Forms for 2006**

Effective immediately, please begin using the new Medicare Supplement applications, outlines of coverage and notice of replacement forms, which were updated to include mandatory language as outlined by IDOI. The old forms shouldn't be used under any circumstances. Be sure to discard the old forms.

IDOI has informed us that applicants who submitted old applications signed on or after January 1, 2006 will need to complete a new application. Members will be sent a letter of explanation, a new application and a business reply envelope. Members will be instructed to complete, sign and return the new application. Members' coverage will remain in force during this process.

To print or order materials online, go to [www.bcbsil.com/dmagents](http://www.bcbsil.com/dmagents). If you prefer, fax your order form to (847) 647-0286, or phone in your order to (312) 653-4142.

Remember, our Medicare Supplement products provide your clients with solid coverage and give them complete freedom of choice. Use our new applications to grow your business and increase your success!

If you have any questions, please contact your Marketing Consultant or General Agent.

\*Health Care Service Corporation, d/b/a BlueCross BlueShield of Illinois, does not provide legal or tax advice, and nothing herein should be construed as legal or tax advice. Customers are encouraged to consult their tax advisors for information regarding the tax consequences of specific health insurance plans or products.