

# PRODUCER UPDATE

Producer News  
June 2007



**BlueCross BlueShield of Illinois**  
300 East Randolph Street • Chicago, Illinois, 60601

## Minimizing the Impact of Rising Health Care Costs

As health care costs continue to rise, our goal has been to resist rate increases whenever possible. Four years of moderate increases is evidence of our success.

However, to ensure your customers continue to get the quality health care and premier service they expect from Blue Cross and Blue Shield of Illinois, we've had to adjust our rates appropriately in order to keep pace with these rising costs.

While we've been able to continue our trend of moderate rate increases in some areas, others have been more affected by the rising costs of health care.

### 2007 New Business Rate Updates

| Product Family w/o maternity & Products  | Areas  |        |        |        |
|--|--------|--------|--------|--------|
|  | 1      | 2      | 3      | 4      |
| <b>Series 3 Affordable Products</b><br>BlueChoice Select, BlueChoice Value, SelectBlue Advantage,<br>BlueValue Advantage   | -2.60% | -2.60% | 5.20%  | 5.20%  |
| <b>Series 3 SelecTEMP and all HSA</b><br>SelectBlue, Blue Value, Traditional Blue, Basic Blue, BlueEdge<br>Individual HSA, BlueEdge Individual HSA 5000, SelecTEMP | 5.50%  | 5.50%  | 13.90% | 13.90% |
| Closed (excluding Transfer)  | 7.10%  | 7.10%  | 15.70% | 15.70% |
| <b>Product Family w/maternity &amp; Products</b>   |        |        |        |        |
| <b>Series 3 Affordable Products</b><br>BlueChoice Select, BlueChoice Value, SelectBlue Advantage,<br>BlueValue Advantage   | 2.30%  | 2.30%  | 10.50% | 10.50% |
| <b>Series 3 SelecTEMP and all HSA</b><br>SelectBlue, Blue Value, Traditional Blue, Basic Blue, BlueEdge<br>Individual HSA, BlueEdge Individual HSA 5000, SelecTEMP | 10.80% | 10.80% | 19.60% | 19.60% |
| Closed (excluding Transfer)  | 12.50% | 12.50% | 21.50% | 21.50% |
| <b>Transfer block increases only by 10% - Includes Series 1 and Older Lines</b>  |        |        |        |        |

These percentages are approximate and are based on spot-checking in various plans in all four areas. Rates and percentages can vary a few tenths of a percent based on different deductible, genders and age bands.

The story is much the same for your existing customers. While 50% of the durational increases are moderate (10% or less), other areas and products have been more directly impacted by these rising costs.

| <b>2007 Durational Rate Updates</b>   |              |          |          |          |
|---|--------------|----------|----------|----------|
| <b>Going from a New Business rate to a Generation 1 rate</b>  |              |          |          |          |
| <b>Product Family w/o maternity &amp; Products</b>  | <b>Areas</b> |          |          |          |
|   | <b>1</b>     | <b>2</b> | <b>3</b> | <b>4</b> |
| <b>Series 3 Affordable Products</b><br>BlueChoice Select, BlueChoice Value, SelectBlue Advantage, BlueValue Advantage   | 1.60%        | 1.60%    | 9.80%    | 9.80%    |
| <b>Series 3 SelecTEMP and all HSA</b><br>SelectBlue, Blue Value, Traditional Blue, Basic Blue, BlueEdge Individual HSA, BlueEdge Individual HSA 5000, SelecTEMP | 10.0%        | 10.0%    | 18.80%   | 18.80%   |
| <b>Going from Gen 1 to Gen 2 or from Gen 2 to Gen 3</b>   |              |          |          |          |
| <b>Product Family w/o maternity &amp; Products</b>  |              |          |          |          |
| <b>Series 3 Affordable Products</b><br>BlueChoice Select, BlueChoice Value, SelectBlue Advantage, BlueValue Advantage   | 3.40%        | 3.40%    | 11.70%   | 11.70%   |
| <b>Series 3 SelecTEMP and all HSA</b><br>SelectBlue, Blue Value, Traditional Blue, Basic Blue, BlueEdge Individual HSA, BlueEdge Individual HSA 5000, SelecTEMP | 11.80%       | 11.80%   | 20.70%   | 20.70%   |

These percentages are approximate and are based on spot-checking in various plans in all four areas. Rates and percentages can vary a few tenths of a percent based on different deductible, genders and age bands.

The individual Under-65 rate book has been updated and is available for printing or ordering on the Producer Web site, [www.bcbsil.com/dmagents](http://www.bcbsil.com/dmagents). The updated illustration software is being updated and will be available for downloading on the Producer Web site. Please begin to use these new materials for new business effective July 1, 2007.

If you have any questions or comments about the new business rates, please call Producer Services at 888-313-5526.

## **New U65 Member Retention Tool Helps You Help Clients!**

You told us it would help you if we sent you email letting you know when clients are going to receive rate action notifications. We listened. You'll be getting them. And you'll be able to review client rate change letters as well as their rate reduction options.

What's more, a Rate Reduction Options button has been added to the Detailed Policy Information screen, giving you a full matrix of downgrade plan options including the current plan and available downgrade plans that will appear on the rate increase letter your client will receive.

This matrix will give you the ability to:

- compare up to three plans at one time for the client
- generate and download quotes of all available downgrade options for your clients
- print easy-to-read, customized quotes
- download an application directly from the matrix and print an outline of coverage for any plan available.

**Please note that effective 7/1/2007:**

- Series 3 guaranteed movement requires either:
  - Lowering of co-insurance (100% to 80%)  
OR
  - Increasing of the deductible
- As long as the effective date of the request is 6/28/2007, or prior, Series 2 products may continue to move to a Series 3 product. Requests for such movement must be received at Hallmark by 8/28/07
- Effective 7/1/2007, movement from a Series 2 to a Series 3 product requires:
  - A fully completed application
  - Underwriting evaluation

If you have any questions or comments, please contact Producer Services at 888.313.5526.

**Blue Care Connection—as good for you as it is for your customers!**

Blue Care Connection is an exciting, convenient new service we’re offering members that...

- Makes it easier for them to manage their health care issues, and
- Helps you retain members.

Beginning July 1, your individual Under 65 members will have access to the Blue Care Connection program through Blue Access for Members (BAM)

The benefits for your customers are delivered via a portfolio of online health tools including:

- Personal Health Manager (PHM)
- Blue Points<sup>SM</sup>
- Online “Ask a” features
- 24/7 Nurseline
- Healthy Expectations

| Blue Care Connection Features  |   |  |
|--|---|--|
| Personal Health Manager (PHM)  | Health risk assessment<br>Personal health record  |  |
| Blue Points <sup>SM</sup>  | Customers can earn Blue Points* each time they  | Track a fitness workout  |
|  |   | Report a meal  |
|  |   | Use any “Ask A” feature  |
|  |   | Use other parts of the <i>For Your Health</i> section of the PHM |
|  | Blue Points are redeemable for health improvement and other products at the Blue Points Redemption Center |  |
| Online “Ask a” features...for answers to health-related questions about fitness, weight loss, nutrition, stress management and more from people who know | Ask A Nurse   |  |
|  | Ask A Trainer   |  |
|  | Ask A Dietitian   |  |
|  | Ask A Life Coach  |  |
| 24/7 Nurseline – telephone access to   | Answers to health questions   |  |
|  | Information on 1,200 health topics over the phone via an audio library system                             |  |
| Healthy Expectations   | Help for members during pregnancy and postpartum periods  |  |
|  | Care with educational materials and support   |  |
|  | Access to a 24-hour toll free BabyLine staffed by maternity nurses  |  |
|  | Online health information library   |  |

As a Producer, you benefit too...because added value benefits like the Blue Care Connection can help create additional sales and commissions by making an impact on customers who are comparing one plan to another. And no other company can offer your customers the Blue Care Connection.

## Credit Card Payments Now Make Online Enrollment Easier!

Did you know that 60% of our online sales choose to pay with their credit card? That's right...60%! With that in mind, we just made our U65 online enrollment process easier with credit card billing.

As you probably noticed, the credit card payment option was temporarily disabled while we made needed changes to ensure its efficiency. The great news is that we've completed this work and credit card payments are once again available for your customers.

Please note that while credit card billing is only for the initial payment, members who elect to pay the first month's premium by credit card will be offered a choice of direct bill or EFT to pay for subsequent months. These process improvements are part of our never-ending efforts to help make it easier for you to do business.

## New ExpressLink Process Makes Online Experience Easier – And We're Giving You The Credit!

ExpressLink brings e-commerce to you! Every time you give a customer a link to our U65 online application, we'll give you the credit...instantly! Better yet, you can do this without purchasing software or supporting a quote engine on their individual Web site.

How does it work? After registering for this exciting, new producer service you'll receive a unique link that generates a custom code and automatically passes your information along to the Blue Cross and Blue Shield of Illinois online application. You can then use your ExpressLink on your Web site or personalized e-mail.

Customers who click through the link will receive a free rate quote and can instantly apply online for the Blue Cross and Blue Shield of Illinois health care insurance plan that best meets their needs...with your information being passed to the application!

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

## New Producer ID Helps Protect Your Personal Information

The rollout of our new, unique producer IDs to help avoid identity theft and protect your personal information will begin shortly. You'll be able to use this ID rather than your Social Security or FEIN numbers on applications. Better yet, the copy which your customer receives will contain your new, unique producer ID—rather than your Social Security or FEIN numbers—regardless of which ID you used on the submitted applications.

You'll be able to use this new number to identify yourself on all Under 65, Over 65 and Medicare Prescription Drug policies you submit. Our Membership Department will cross-reference this ID with your name or the agency name and the Social Security Number or Federal Tax ID number with which you are contracted.

While we strongly recommend that you use this new number to protect your personal information, you may continue to submit business with your Social Security Number or Federal Tax ID Number if you prefer.

If you have any questions or concerns, please contact the Producer Administration Department at (630) 824-6191

## Convenient E-mail Producer Updates Help You Stay On Top Of Things!

To make sure you get all the product and service information you need to succeed efficiently—and to eliminate unnecessary printing costs—our Producer Updates will become e-mail only communications beginning in July...giving you the convenience of saving them on your computer and printing only the information you need when you need it. All with the simple "click" of a mouse!

Please e-mail your email address, Producer ID and telephone number to [cmmrktng@bcsil.com](mailto:cmmrktng@bcsil.com) to ensure we have your email address.

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

### CONSUMER MARKETS