



**BlueCross BlueShield
of Illinois**

June, 2004

Dear Producer:

You may remember last February; Direct Markets introduced Prime Therapeutics, our new national Pharmacy Benefit Manager (PBM) to you. Prime will manage pharmacy benefits for all BCBSIL health care benefit plans that include our prescription drug coverage. The full implementation is effective January 1, 2005, with a stepped up schedule for some home delivery service this year (details are provided below). Ownership in Prime will give us greater control over managing pharmacy costs and benefits for our customers. Prime is now owned by eight Blues Plans.

Prime Therapeutics will process prescription drug claims submitted electronically by pharmacies and will provide other services, such as formulary management, clinical programs, national pharmacy network contracting, prescription drug home delivery and customer service.

Prime Therapeutics maintains an expansive pharmacy network that includes all national chains that we currently offer, as well as the vast majority of independent pharmacies. The extensive local pharmacy network in Illinois will not change.

New ID Cards Being Issued

As part of the Prime Therapeutics transition, members will receive new ID cards prior to January 1. Members must present their new ID card at the pharmacy for their first prescription or refill in 2005.

Home Delivery

Beginning October 1, 2004, *all members with home delivery benefits through Walgreens Healthcare Plus* will switch to PrimeMail, Prime Therapeutics' mail service facility located in Irving, TX.

As we draw closer to the effective dates, members will receive letters about the transition to Prime and the home delivery change. Members with home delivery benefits will receive a packet that includes the new home delivery order form.

Members currently using the home delivery service will need to obtain new prescriptions, even if there are refills remaining. Current prescriptions will not be transferred to the new vendor. Specific dates and instructions on what members need to do will be provided in our planned communications. Members who have prescriptions at retail pharmacies with remaining refills will not need new prescriptions.

Communications

Member mailings are planned to notify members of the switch to Prime Therapeutics, the home delivery change, and new ID cards. We anticipate communicating the home delivery change to all PPO and Medicare Supplement members with Rx benefits, who are affected in August. A second mailing is planned for November and will be sent to Under-65 Individual/Family, Children's and Old Small Group Plans. This mailing will communicate information about the PBM change for January 1, 2005 and will provide a new ID card. For those members with formulary based benefits (SelectBlue) we expect to post the 2005 formulary and formulary changes on the web site www.bcbsil.com by late summer.

We are working closely with Prime Therapeutics and our current vendors to create a smooth transition for all our members. We will continue to update you and your clients about the transition. In the meantime, please contact your Marketing Consultant or General Agent if you have questions.

Direct Markets - Blue Cross and Blue Shield of Illinois

P.S. DON'T FORGET IT'S BONUS SEASON! BCBSIL IS PAYING AN ADDITIONAL \$50 PER UNDER-65 PAID-APPLICATION AND \$25 PER MEDICARE SUPPLEMENT APPLICATION!