

Important Message from Blue Cross Blue Shield of Illinois

Many of you have had comments or questions about our underwriting guidelines. As a result of your inquiries, we have taken a look at our underwriting practices and are pleased to tell you about:

- *A New Tool* -- new phone translation services at Hallmark
- *An Underwriting Change* – regarding non-U.S. Citizen status
- *Underwriting Guideline Clarifications* – for three common conditions

We hope that this information will allow you to write Blue Cross and Blue Shield of Illinois (BCBSIL) business in a more time and cost efficient manner.

Hallmark Now Offering Phone Translation Services

Effective immediately, Hallmark has phone translation capabilities for those situations when an applicant or member needs to have a conversation in a language other than English.

Change in Non-U.S. Citizen Status Guidelines

Applicants must now have resided in the U.S. for at least six months AND have had a **complete physical** by a physician in the U.S. within the past two years.

Underwriting Tip: Use the current application. This information will be revised on the next filing of the application.

Review of Additional Underwriting Guidelines

We've heard that there may be certain situations where you are hesitant to send BCBSIL applications to Hallmark because you believe they will not be accepted. We'd like to clarify some guidelines for three common conditions.

Nervous/Mental Health Underwriting Clarifications

For questions you've had regarding underwriting guidelines for applicants with nervous/mental health diagnoses, Hallmark conducted a thorough analysis of underwriting guidelines for nervous/mental health conditions and mental health benefits by carrier.

The results indicate that BCBSIL underwriting guidelines are more conservative than the competition. Yet, BCBSIL mental health and prescription drug benefits are considerably richer than the competition.

We also wanted to make sure you know that there are some common nervous/mental health conditions that *will* be considered. For example, an

applicant with anxiety or mild depression will be considered for coverage at the standard rate if:

- They have been diagnosed with **one** condition at least 12 months prior to the application date (examples of an acceptable diagnosis include anxiety or mild depression) and
- Be treated with one medication prescribed by a primary care doctor or a psychiatrist if the psychiatrist is seen for medication maintenance only and
- Have no history of hospitalization for a nervous/mental condition and
- Have no current counseling and
- Have had past counseling of no more than six months

Hypertension/High Blood Pressure

- Applicants must have been diagnosed at least 12 months prior to the application date and have controlled readings during the last 12 months (Note: an applicant who has had a change in medication or an increase in dosage for treatment of hypertension due to lack of control cannot be considered for coverage until they have been controlled on the new medication or dosage for at least 12 months from the date of change) and
- Be aged 35 or over at the time of diagnosis and
- Taking three or fewer medications for hypertension/high blood pressure (Note: a combination drug is counted as two medications. Some examples of combination drugs include Diovan HCT, Lotrel, Ziac, and Hyzaar.)

Underwriting Tip: Include the date of diagnosis, three readings within the last 12 months, and all medication, including dosage and frequency on the application.

Herniated Disc

Applicants who have recovered from a single surgery can be considered for coverage with a coverage exclusion rider if they are

- Experiencing only mild ongoing symptoms and/or residuals
- Undergoing current chiropractic treatment for only mild ongoing symptoms and/or residuals

Underwriting Tip: Include the location(s) of the disc, the type of surgery, the type and frequency of the symptoms and/or residuals and ongoing treatment (including medication) if any on the application.

Preliminary Underwriting Opinion Form

We recommend that you submit a Preliminary Underwriting Opinion Form (available at www.bcbsil.com/dmagents under "General Supplies") to Hallmark if you have any question of whether an applicant will be considered for coverage.

Transfer Strategy to Help Retain Members
Seeking Lower Cost Coverage

If you have members at risk of going to another provider, we are offering the ability for those with BlueValue, SelectBlue and Traditional Blue policies effective on or after July 1, 2004 to transfer to our Affordable Products with the same or lesser benefits without additional underwriting. The request must be made in writing through a new Coverage of Change Form (#30212). The form must be received no later than December 31, 2004. The Coverage of Change Form is available on the Producer website at www.bcbsil.com/dmagents under the "General Supplies" section.

Beginning January 1, 2005, any movement between plans must be requested through the procedure which is outlined in the Producer Guide (#30025) on page 11 under "Coverage Changes—Upgrades and Downgrades."

We hope that these changes and clarifications make it easier for you to write more Blue Cross and Blue Shield of Illinois business in a more efficient manner.

If you have any questions, please feel free to call your Marketing Consultant or General Agent.

Thank you.

Blue Cross and Blue Shield of Illinois
Consumer Markets