



BlueCross BlueShield of Illinois

Frequently Asked Questions

UniCare has made a decision to no longer participate in the commercial health insurance market in Illinois. This decision means that in the near future UniCare will no longer provide group benefits to your clients. UniCare is collaborating with Blue Cross and Blue Shield of Illinois (BCBSIL) to transition UniCare's commercial group and individual policyholders to BCBSIL policies with **guaranteed replacement coverage and guaranteed acceptance.**

General Questions about the UniCare and BCBSIL Transition

1. Is BCBSIL acquiring UniCare?

No, BCBSIL is not acquiring UniCare. UniCare is simply endorsing BCBSIL as the insurer of choice for its members and employer groups as it exits the commercial health insurance market. BCBSIL and UniCare have entered into an agreement that ensures a seamless transition of benefits and coverage for current UniCare employer groups and individual policyholders who elect to purchase a BCBSIL policy.

2. Is UniCare exiting all health insurance markets in Illinois?

No. UniCare will retain their Medicare, Medicaid, FEP, HMO business in Illinois, GIC, Student Health and MHealth plans, as well as stand alone specialty products such as dental, vision, life and disability (and other specified lines of business).

3. What is the time line for UniCare leaving the commercial health insurance business?

October 29, 2009 will serve as the date-of-notice to all employer groups and individual policyholders that UniCare intends to discontinue offering individual and group coverage. If those policyholders accept the BCBSIL offer, UniCare coverage will terminate at the end of December 31, 2009, and BCBSIL coverage will begin at 11:59 on December 31, 2009

If policyholders determine not to accept the BCBSIL offer, UniCare will continue to provide coverage to existing customers through the date determined by UniCare. Please contact UniCare to learn the termination date of your UniCare coverage.

4. Does UniCare's decision to exit commercial health insurance make the market less competitive and reduce consumer choice?

While UniCare's decision to no longer participate in the commercial market means that there will be one less health plan in Illinois, there is still considerable competition in the state and your clients still have choices when it comes to choosing a health plan.

5. Why is UniCare working with BCBSIL to make this offer to their commercial policy holders?

By recommending that their accounts choose to transition their business to BCBSIL, UniCare is endorsing BCBSIL as the best commercial insurer to work with to bring this special offer to groups and individuals.

6. What is the advantage of the Blue Cross offer for those groups in their contract renewal period?

In addition to the assurance we offer as the largest and oldest health benefits company in Illinois, Blue Cross will honor the final quote offered by UniCare to a group, if that offer has been made during benefit renegotiation due to the group's contract renewal date. The group will not have to go through a new negotiation process with Blue Cross or another insurer in order to maintain coverage.

7. What are the terms of this offer?

- The offer includes a guarantee of:
 - Benefits that are similar to their current UniCare policy in most cases
 - No requirement for evidence of insurability for the first year
 - No lapse in coverage
 - Guaranteed acceptance
- The terms of this special offer apply only if the group accepts the policy offered by Blue Cross.
- This special enrollment opportunity is not the same as a renewal or new enrollment period, where different benefits and rates can be negotiated.
- This offer is available only if accepted during the special enrollment period.
- This offer is inclusive of members (individual and group) on the policy as of December 31, 2009.
- The offer of coverage includes all individual members and members of a group plan who are covered by an eligible policy as of December 31, 2009, including those in COBRA or Illinois continuation coverage, retirees, dependents or surviving spouses.

8. How will December to January transition of premium payments be handled?

BCBSIL will activate accounts only if the account is paid up to Dec. 31, 2009 with UniCare.

UniCare will continue to cover groups with a premium payment credit for coverage after Jan. 1, 2010, until the UniCare termination date (as determined by UniCare), if the BCBSIL offer is not accepted within the limited-time offer period (by Dec. 1, 2009).

Policyholders accepting the BCBSIL offer will not be required to include an initial premium payment with their offer acceptance form. They will be billed for the next premium payment due.

9. Will the premium payment grace period be extended in case there is confusion/mix ups about who, what and how to pay?

UniCare and BCBSIL are working together to ensure a seamless transition. If a group makes a monthly payment, either based on their existing bill from UniCare or the new payment to Blue Cross, their payment will be recorded and credited to their account. An extended grace period should not be needed.

10. How is BCBSIL ensuring comparable coverage plans?

Because of our extensive array of benefit plan structures, BCBSIL will not be developing new products. Instead, we will provide a product that in most cases is similar to the policyholder's existing benefits.

In a limited number of cases the benefit mapping did not meet product packaging guidelines and so the group may have been moved into another plan. If one of your clients is among those cases, the account representative assigned to work with you will contact you regarding their offer.

11. Is there a difference between small group and large group in how they will be processed?

Because of the unique nature of large group plans, we will be customizing our offers to large groups. Some differences exist in how we define large groups compared to UniCare. You will need to work with your account representative to review the offer being made to your group.

12. How will a group's HSA be coordinated under BCBSIL?

For those UniCare groups who have an HSA with their UniCare policy, we will map those to a BCBSIL HSA plan, and the group can take advantage of our vendor options.

13. How will current UniCare claims in process be handled?

Claims incurred under a UniCare policy will be processed by UniCare. Claims incurred under the new BCBSIL policy will be processed by BCBSIL. UniCare and BCBSIL have put in place a monthly reconciliation process to ensure all claims are processed quickly and accurately with no duplication and the least amount of member inconvenience as possible.

14. How will benefit plan changes be handled?

Under the terms of this offer, a group cannot make benefit plan changes during the offer period. If a group wants to make changes to their plan benefits as part of transitioning to BCBSIL coverage, they will be processed as new BCBSIL business quotes, and normal underwriting and proof of insurability will be required.

After the new BCBSIL policy begins January 1, 2010, off-cycle benefit changes can be reviewed for processing upon request.

15. Why should my clients consider BCBSIL?

BCBSIL offers a leading portfolio of products, extensive care and disease management initiatives, wellness programs and its 70-year track record of providing benefits in Illinois.

In addition:

- In general, our same plan/same price offer is actually a better deal because our provider discounts are deeper, for lower overall claims costs.
- Guaranteed replacement coverage
- Guaranteed acceptance
- No waiting periods
- No underwriting
- No outpatient pre-certifications required by BCBSIL.
- BCBSIL's statewide provider network includes thousands of physicians and specialists, so the majority of UniCare members who switch to BCBSIL should not have to change doctors.

Questions Regarding Impact to Current UniCare Members

1. What will happen when a member calls the UniCare member services line on Jan. 2, 2010?

UniCare and BCBSIL member services call centers are working together to answer member's questions and concerns without them having to make numerous calls. Once the issue is resolved, the UniCare member services representative will provide the member with the contact information of the BCBSIL Customer Service Center for any future questions.

2. How will this agreement affect current UniCare members' access to care?

BCBSIL's statewide network currently includes thousands of physicians and specialists and most major hospitals in the state. As a result, the majority of UniCare members who switch to BCBSIL should not have to change doctors in most cases. Members will have access to on-line provider information or they can contact the customer service number on the back of their benefit card for additional help with provider selection.

3. What if a member has upcoming surgery scheduled? Should they cancel it?

If a member has a surgery or another service scheduled while under UniCare coverage, this decision by UniCare does not change how those services are provided. Claims for covered services provided during this period will also be covered as indicated in the group's existing service agreement.

If a member transitions to a different health plan prior to the date of a scheduled surgery, the member and his physician will need to discuss any pre-certification review needed with the new health plan. The member can also call the customer service number on the back of their benefits card to request additional information regarding any pre-certification issues.

4. What about transition of care issues?

BCBSIL will offer transitional services for treatments that have already been pre-authorized.

Any active course of treatment will be covered by the policy as of the start date of the treatment. So if the patient's course of treatment begins under their UniCare policy, UniCare will continue to process those claims incurred through the end of December 31, 2009. Treatment beginning on Jan. 1, 2010 or later will be processed under their BCBSIL policy. BCBSIL will reconcile claims with UniCare, for minimal disruption to members and providers in authorizing care and processing claims.

5. What about members currently on COBRA or Illinois continuation?

This announcement does not change a former employee's continuation coverage or the total amount of time a former employee is eligible for continuation coverage. Their coverage will continue along with all other members under the policy.

6. How will expenses that are the responsibility of the UniCare member be reconciled?

Deductible and out of pocket expenses incurred in 2009 will continue to be the member's responsibility. Claims incurred for dates of service Jan. 1, 2010 or after will be processed by BCBSIL and accumulate towards the new deductible and out of pocket amounts, which is also the member's responsibility. Note that lifetime maximums are being reset at \$0 upon transition to BCBSIL and dates of service Jan. 1, 2010 and beyond will load these new amounts.

Broker Questions Regarding the Health Insurance Business

1. I sell both UniCare and BCBSIL business. How will commission terms/structure be handled?

BCBSIL will match the UniCare commissions of 5% on 2-3 life transferred cases. This is a one time special commission schedule that only applies to the 2-3 life accounts that have transferred from Unicare to BCBSIL effective January 1, 2010 as a result of the "Guaranteed Replacement" special enrollment opportunity.

Accounts with 4 - 99 lives will be paid at our standard 8% graded schedule. All transferred accounts as a result of the "Guaranteed Replacement" special enrollment opportunity will start at the top of the scale regardless of the contract to date premium currently on file at UniCare. This special commission schedule expires on the account's initial renewal date with BCBSIL and the standard BCBSIL Small Group commission schedule will be implemented effective on the account's initial renewal date with BCBSIL.

All transferred experience rated accounts (100 +) will be treated as a negotiated account and commissions will be underwritten as a part of the rate offer through our normal process. All experience rated accounts with commissions will require an Individual Case Commission Agreement (ICCA).

2. I am new to BCBSIL sales. How and when are commissions paid?

In order to receive commissions for your UniCare transferred business to BlueCross BlueShield of Illinois, you are required to meet the two pre-qualifying criteria specified below:

- You possess a valid ACC & Health Illinois producer license; and
- You have signed the standard producer agreement with BCBSIL

To get contracted with BCBSIL and receive commissions, you must complete and return the required forms to Blue Cross and Blue Shield of Illinois before Monday, November 30th, 2009.

You can secure the Standard Producer Agreement package from your General Agent (or your assigned BCBSIL Account Representative for experience rated accounts).

3. Is there an additional incentive for brokers to move groups to BCBSIL coverage?

No. There will be no extra bonus or compensation arrangements for transitioning accounts.

4. Who should brokers contact with questions regarding the UniCare transition?

A BCBSIL sales representative will be specifically assigned to work with brokers and their accounts during the transition. Any concerns or questions can be directed to the assigned representative. If the broker currently sells BCBSIL policies, they will continue to work with their current sales representative will be your contact. We have also set up an Offer Support Call Center to assist during the transition of groups at 888-855-5088.

Our Consumer Markets Broker Services Unit Call Center can assist with offers for individual policyholders. That toll-free number is 888-235-2977.

5. How do groups or consumer policyholders accept this offer?

Groups can go online and accept this offer by logging into www.BCBSIL.com/gobluegroup.

Individual policyholders can accept this offer by logging into www.acceptoffertx.com.

Both sites will require that they enter the unique case identification number provided at the top of the offer letter.

6. What do I have to do and by when?

This offer is for a limited time. UniCare policyholders will need to accept the offer made to them by Dec. 1, 2009 in order to have BCBSIL coverage with no lapse in coverage.

If you need assistance in advising your clients on their choices, please contact your account representative.