

Blue Cross Blue Shield of Illinois Non-PPO Reimbursement Rates Changing

Starting January 1, 2012, Blue Cross Blue Shield of Illinois (BCBSIL) is changing its reimbursement rates for services by non-PPO/Non-Contracting (Non-PPO/Non-Par) providers in the PPO and CDHP plans to match Medicare reimbursement rates. This change will impact employees when using out-of-network providers. Medicare provides a national standard recognized by all providers that is used to reimburse a significant portion of all medical claims in the United States.

Non-PPO/Non-Par providers are providers that have no contractual relationship with Blue Cross Blue Shield. Non-PPO/Non-Par claims incurred on or after January 1, 2012 will be reimbursed based on Medicare reimbursement rates. To determine the eligible charge and your out-of-pocket responsibility, we encourage you to contact BCBSIL at 1-800-458-6024 prior to receiving services. You will need to provide the physician's name, address, telephone number, and Federal Employer Identification Number (FEIN) or National Provider Identification (NPI) as well as the diagnosis and procedure codes from the provider when you contact BCBSIL. They will be able to advise you on the reimbursement level for that provider.

The vast majority of providers participate in BCBS PPO networks, leaving less than 5% of claims incurred with Non-PPO providers. Of that 5%, the majority of these claims are incurred with Out-of-Network providers that are under traditional (Participating or "Par") contracts which provide for protection from balance billing.

BCBSIL cannot prevent a non-contracting provider from billing you for any balance exceeding the eligible charge covered by the BCBSIL plan for the services rendered. Consequently, employees may be responsible for additional out of pocket costs when using Non-PPO/Non-Par providers.

If you are currently using a Non-PPO/Non-Par provider and wish to change to a contracting provider, you may locate one through the BCBSIL provider finder at www.bcbsil.com or by calling BCBS at 1-800-458-6024.

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Question & Answer

Q: Why is this change occurring?

A: Moving to the new fee schedule will help BCBS control costs and reinforce network stability. It will ensure that non-contracting providers are not in the position to potentially receive a higher reimbursement level than a contracting provider, which erodes BCBSIL's ability to negotiate network contracts.

Q: Why was the Medicare reimbursement structure chosen?

A: The Medicare fee schedule provides a national standard recognized by all providers. It is used to reimburse a significant portion of all medical claims in the United States. The new

methodology is intended to increase pricing transparency for medical providers and individuals, due to the availability of information about Medicare standards/reimbursements.

Q: *Where can I find more information about the Medicare reimbursement structure?*

A: Information regarding the Medicare fee schedule can be found at the Centers for Medicare & Medicaid Services website. <http://www.cms.gov/home/medicare.asp>

Q: *What steps can I take to determine if the provider is non-PPO/non-contracting and what my out-of-pocket cost may be?*

A: You can determine if a physician is a BCBSIL in-network provider by using the BCBSIL provider finder tool at www.bcbsil.com or by calling BCBS at 1-800-458-6024. To determine the eligible charge and your out-of-pocket responsibility, contact BCBSIL at 1-800-458-6024 prior to receiving services. You will need to have the physician's name, address, telephone number, and Federal Employer Identification Number (FEIN) or National Provider Identification (NPI) as well as the diagnosis and procedure codes from the provider when you contact BCBSIL.

Q: *What is the likelihood that my physician is a non-PPO/non-contracting provider?*

A: The vast majority of providers participate in the BCBS PPO Networks which leaves less than 5% of claims incurred with Non-PPO Providers. Of that 5%, the majority of these claims are incurred with Out-of-Network providers that are under Traditional (aka Participating or "Par") contracts, which provide for protection from balance billing.