



Your Guide to Independence Blue Cross 2014 Product Overview

For businesses with 51+ employees

Compliant health plans, new health and wellness options,
and spending account capabilities for you and your employees

Independence 

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Introduction

As an employer or benefits manager, health insurance is one of the most important things you can provide for your employees and their families. The Affordable Care Act (ACA) is changing many things about health insurance, and it is important to be prepared for impacts to the way you administer health benefits.

As your trusted partner, Independence Blue Cross (IBC) is committed to providing innovative solutions that enhance the health and wellness of your employees and give you increased flexibility in designing and administering health benefits. Part of that commitment is to help you navigate through health care reform.

We created this brochure to walk you through the changes we've implemented to our health plans to comply with the ACA and to prepare you for enhancements IBC is making to our business to better serve you and your employees.

This guide includes information on:

- How the ACA affects your business
- Changes to IBC health plans to comply with the ACA
- How spending accounts can help you and your employees save money
- How you can use Healthy LifestylesSM Solutions to drive behavior change
- Enhancements to help your employees get the most from their coverage

We are here to help you make the most informed decisions about your IBC coverage selections for 2014. If you have any questions, please contact your IBC account executive, independent broker, or consultant.



#1 preferred brand
in the region

Part I: The Affordable Care Act

While many things about health insurance are changing, there's one thing you can count on: IBC is committed to providing our customers with competitively-priced health insurance products and services that comply with the health care law, officially called the Patient Protection and Affordable Care Act (ACA), and are designed to enhance the health and wellness of your employees.

How the ACA affects your business

The provisions of the ACA, many of which take effect beginning January 1, 2014, impact the coverage you offer your employees. The good news is that no matter which of our health plans you choose, you can be assured that they are all compliant with ACA requirements.

Here are two important changes that begin on January 1, 2014, that affect business with more than 50 employees:

- **Out-of-pocket maximum changes limit costs.** In 2014, all IBC health plans include a limit on how much your employees will pay out-of-pocket (\$6,350 for individuals; \$12,700 for families). Once this limit is reached, all benefits included in the plan are covered 100 percent by the health plan. All coinsurance, copayments, and deductibles accrue to the plan's overall out-of-pocket maximum. For 2014, IBC will only accumulate medical cost-sharing toward the out-of-pocket maximum. Pharmacy cost-sharing will accumulate separately until 2015. See the *Product Overview* section for additional information about this provision.
- **Employer contributions to savings accounts are included.** When determining the overall value of the plan, we now must include the employer's contribution to either a health savings account (HSA) or health reimbursement account (HRA). IBC's HSA-qualified and HRA-compatible plans are offered with and without employer savings account contributions.

Other changes for your business include new requirements for determining group size, penalties for not meeting minimum coverage requirements, new taxes and fees, and new reporting requirements.

For more information about how your business may be affected, please refer to the *Large Business Guide to Health Care Law* that you recently received from IBC.

Part II: 2014 Product Overview

IBC is an industry leader in transforming health care and delivering what you need most to meet new challenges: increased flexibility and efficiency in administering health benefits, tools for managing costs and improving outcomes, and a coordinated health care system that rewards doctors and hospitals for helping to keep your employees well.

We offer you a suite of products that makes it easy to create a health benefits package that gives your employees the comprehensive coverage they need while helping you control costs.

Our plans comply with the ACA

We designed our 2014 plans with health care reform in mind, so no matter which plans you choose, you can be certain that they meet ACA requirements.

All of our plans include:

- Coverage for certain in-network preventive care services with no cost-sharing
- Coverage for dependents up to age 26
- No annual or lifetime dollar maximums on essential health benefits*
- Required limits on annual out-of-pocket maximums

With all of our health plans, your employees will also be able to take advantage of wellness programs, including an IBC health coach to help coordinate their care, access to online WebMD® tools, and Blue365® discounts. See the *Healthy Lifestyles Solutions* section for more information.

We will work with you to help you create a health benefits package that provides your employees with the comprehensive coverage they need while ensuring that your plans meet minimum value requirements under the law.

Please refer to IBC's *Large Business Guide to Health Care Law* for more information about employer responsibilities.

* Plans that have grandfathered status must comply with some, but not all, of the ACA's provisions. If your plan is grandfathered, you are not required to offer essential health benefits. If you offer any of the essential health benefits identified by the ACA, you cannot impose any annual or lifetime dollar maximums on those services. Refer to IBC's *Large Business Guide to Health Care Law* for more information about grandfathered status.

Important information about changes to the out-of-pocket maximum

The ACA includes a provision that limits how much your employees pay out-of-pocket for their covered health care expenses. It requires that all copayments, coinsurance, and deductible amounts for in-network services accumulate to a single out-of-pocket maximum. This applies to all non-grandfathered health plans regardless of funding type.

For 2014, the limit to the out-of-pocket maximum is \$6,350 for individuals and \$12,700 for families. In 2014, IBC will only include medical benefits[†] to accumulate toward these out-of-pocket maximum limits. We are taking the federal government's "safe harbor" for accumulation for plans with multiple claims payers, such as third-party administrators and separate pharmacy benefits managers.

Effective January 1, 2015, IBC will accumulate prescription drug cost-sharing amounts toward the out-of-pocket limits.

If you have any questions about this provision, please contact your IBC account executive, independent broker, or consultant.

[†] The safe harbor does not impact current mental health and substance abuse parity rules, which already require a combined out-of-pocket maximum for medical/mental health and substance abuse out-of-pocket expenses.

New spending account capabilities

Increase your savings and empower your employees

Pairing our high-deductible plans (HDHPs) with a health reimbursement account (HRA) or health savings account (HSA) helps you and your employees save on overall health care costs.

Combined with HDHP, HRAs or HSAs helps you:

- **Save on overall health care costs.** You spend less because employees take on more cost-sharing, which can be offset with a tax-advantaged health spending account.
- **Save on taxes.** You receive Federal Insurance Contributions Act (FICA) and Federal Unemployment Tax Act (FUTA) tax savings on salary reductions when you and your employees contribute to health spending accounts.
- **Empower employees to become savvy consumers.** Your employees play a greater role in managing their health care purchases and using covered services appropriately.

Manage your spending accounts with ease

Managing the administration process of your spending accounts is quicker and easier because you have access to:

- A streamlined enrollment process for simultaneous opening of medical and spending accounts
- Online features that simplify group enrollment
- Robust, real-time reporting
- Seamless billing through a convenient eBill functionality
- Convenient funding choices for spending account contributions through payroll deduction, check, or online transfer



Put your money to better use

When you pair an HDHP with a spending account, the dollars you save by paying a lower premium can be used to contribute to your employees' spending account. The tax-advantaged contribution offsets the higher deductible.

Employer advantages of an HRA:

- Contributions are tax deductible.
- Provides employees with a means to pay for higher deductible amounts.
- Unused funds remain with the employer. Employees may have access to the unused funds, at the employer's discretion, subject to COBRA.

Employer advantages of an HSA:

- Funds may be carried over each year.
 - Employer contributions are generally excluded from employee's gross income and not taxable.
 - Distributions for qualified medical expenses are generally not taxable.
-

HRA plans

When you fund HRAs, you determine what medical expenses and services are eligible for reimbursement. You receive tax advantages for providing your employees with a way to save on medical expenses, and you retain any funds left in an HRA should an employee leave the company.

Since you can fund HRAs throughout the year, you won't have to set aside money up front.

HSA plans

When you offer an HSA-qualified HDHP, your employees are eligible to open a tax-advantaged HSA. Contributions to HSAs may be made by employers, employees, or a combination of both. Either way there are tax advantages for both you and your employees:

- Employee contributions reduce their taxable income.
- Interest earned is tax-free when spent on qualified medical expenses.
- Qualified medical expenses reimbursed from the account are tax-free.

Tax advantages make HSAs a great way to save. And since HSA savings can be used to pay for deductibles and coinsurance, they may help offset increased employee costs.

This information has been prepared by Independence Blue Cross as a general reference source for your use. It is not intended to provide legal and/or tax advice. Please consult with your legal and/or tax advisor regarding your particular circumstances.

Our enhanced spending accounts offer more features and added value

Our new suite of spending account products offers you new capabilities to make processing, servicing, and reporting easier and less time consuming. They offer you more flexibility and simpler administration for your health plans and spending accounts including:

- A streamlined enrollment process for simultaneous opening of medical and spending accounts
- New online capabilities that simplify group enrollment and reduce ongoing data entry
- More convenient ways to fund accounts
- Robust, online reporting
- Seamless billing through convenient eBill functionality
- The ability to offer your employees multiple accounts at the same time, such as an HRA, health flexible spending account (FSA), or a dependent care FSA
- A single plan activity statement that combines claim information found in an explanation of benefits (EOB) with the spending account detail of an explanation of payments (EOP)

Advantages for your employees

At ibxpress.com, your employees can use decision-support tools to compare plan options, estimate treatment costs, compare drug costs, create an action plan for better health, and much more. They can also manage their account conveniently and easily at any time, day or night.

Your employees will also enjoy:

- Direct payment of expenses with a pay-the-provider feature for payment of expenses to the provider of health care products and services
- A simplified claims submission process that helps make reimbursement faster
- A consolidated and easy-to-read plan activity statement that puts EOB and EOP information all in one place
- Real-time account balance, payment, and claims information
- A single debit card for paying everyday medical expenses for all owned spending accounts including HSA, HRA, and health FSA
- Single-sign-on access to spending account information, including debit card transactions
- Health savings account investment choices that include a wide range of savings and investment options
- HSAs and debit cards with no bank fees

Online access to pharmacy benefits

Your employees can log on to ibxpress.com to:

- Find participating pharmacies
 - Search the prescription drug formulary
 - Get pharmacy claims information
 - Submit a mail-order refill
-



Specialty Services

Adding specialty products to your medical plans can help you improve outcomes and lower costs

We offer you the option to add prescription drug, dental, vision, and travel insurance to your IBC medical plans to provide your employees with an array of benefits and help them take better control of their overall health.

Pricing discounts available for making specialty products part of your total benefits package may also help you lower the costs of your core medical coverage. Talk to your IBC account executive, independent broker, or consultant to learn more about the advantages of offering IBC specialty products with your medical plans.

IBC Prescription Drug

Combining IBC medical and prescription drug benefits gives us the ability to analyze your employees' total health care picture. The advantage is more timely and targeted outreach to your employees to help them stay healthier and better manage chronic conditions, which in turn can lead to increased productivity and help lower your overall medical and prescription drug costs.

We offer you multiple prescription drug coverage options administered by FutureScripts® to allow you to choose an affordable option that's right for your business.

With all IBC prescription drug plans your employees have access to:

- Affordable generic and brand-name drugs
- An extensive network of more than 65,000 participating retail pharmacies nationwide
- A convenient mail-order service that allows them to save even more money on their medications

IBC's prescription drug plans also include 100 percent coverage for certain designated preventive medications when received from an in-network pharmacy. This means that your employees won't have to pay copays, coinsurance, or deductibles for certain preventive medications with a prescription from their doctor, helping them save on out-of-pocket costs.

IBC Dental

Good dental health has a direct impact on an individual's overall health and wellness. IBC offers you a variety of high-quality, cost-effective dental plans that fit your budget and support early prevention, diagnosis, and treatment.

With all dental plans your employees have access to:

- Coverage for preventive services such as oral exams and cleanings
- An extensive network of dentists to choose from to receive care

Plus, members will never need to submit a claim form when they use a participating provider.



IBC Vision Care

Vision benefits are an important way you can help reduce overall health care spending for your business. Regular eye exams not only help protect your employees' vision — they can also help detect more serious medical conditions such as diabetes, high blood pressure, or heart disease.

IBC Vision Care is administered by Davis Vision®. The network includes more than 37,000 ophthalmologists, optometrists, and regional and national retailers, including Visionworks optical retail centers located across the Philadelphia five-county area and surrounding states.

Adding IBC Vision Care to your medical benefits gives you a broad range of plans with low monthly premiums, easy implementation and flexible administration, and outstanding customer service.

With IBC Vision Care plans your employees can take advantage of:

- No limitations on eyeglass frames
- Fully covered designer brands
- One-year warranty on frames or lenses purchased at a participating provider
- Contact lenses replacement
- Vision correction discounts



Add specialty products with your medical benefits

Contact your IBC account executive, independent broker, or consultant to find out more about the IBC Specialty Services options available for your business.

Travel insurance

IBC helps you make it easy and convenient for your employees who travel internationally to find quality care outside of the United States with travel insurance plans from GeoBlue®.

GeoBlue group health plans combine quality service with state-of-the-art mobile technology to cover the health care needs of expatriates, their families, and business travelers around the globe.

You have two GeoBlue plan options to choose from — GeoBlue Expat® and GeoBlue Traveler®. Both plans are designed to provide your employees with coverage when and where they need it from trusted doctors and hospitals.

With both GeoBlue plans your employees have access to:

- Help locating English-speaking, Western-trained doctors and scheduling appointments
- Guaranteed payments for cashless access to care
- Assistance arranging necessary follow-up treatment

Specialty insurance

Together with The Guardian Life Insurance Company of America® (Guardian), IBC offers you the option to add life, short- and long-term disability, accident, critical illness, and cancer insurance products to your core medical benefits. Guardian's flexible and innovative products allow you to customize benefits programs to meet your employees' needs and help protect them from unforeseen hardships and expenses.

You may qualify for discounted pricing on your medical coverage by purchasing an employer-paid Guardian product, and you will have a dedicated claims analyst to manage your employees' claims quickly and efficiently.

FutureScripts is an independent company providing pharmacy benefits management services for Independence Blue Cross.

United Concordia Dental is an independent company that administers dental programs.

IBC Vision Care is administered by Davis Vision, an independent company. An affiliate of Independence Blue Cross has a financial interest in Visionworks.

GeoBlue is a trade name of Worldwide Insurance Services, LLC, an independent licensee of the Blue Cross and Blue Shield Association.

Guardian insurance products are underwritten and issued by The Guardian Life Insurance Company of America, an independent company. These are not Blue Cross or Blue Shield products. Guardian is solely responsible.

Part III: Healthy LifestylesSM Solutions



Drive healthy behaviors to help lower your health care costs

Your employees are your most valuable asset, and healthy employees are more engaged and productive.

Healthy Lifestyles Solutions, a value-added comprehensive health and wellness program, is available with all IBC medical plans to empower your employees — from the healthy to the chronically ill — to achieve and maintain their best possible health.

Combining easy-to-use online WebMD® tools and personalized support, Healthy Lifestyles Solutions supports your employees across the continuum of care with programs that target lifestyle management and behavior change to help them stay well, care management to help them get well, and support for your employees who are living with a chronic illness.

You can use Healthy Lifestyles Solutions to help you build a culture of health and get comprehensive reporting to track and evaluate your employees' progress to maximize effectiveness over time — with the ultimate goal of increasing productivity and reversing the trend of rising health care costs.

Advantages of Healthy Lifestyles Solutions

- We work with you to design a program that achieves sustainable results.
 - We offer one integrated solution instead of programs and tools from multiple vendors.
 - Our whole-person approach goes beyond individual health risks to address all needs.
 - Our health management strategy is based on the science of behavior change.
-

WebMD is an independent company offering online health information and wellness education to Independence Blue Cross members.



Easy-to-use online tools help drive healthy actions

Your employees can get started on the road to good health by using the WebMD suite of online health management tools through IBC's secure member website, ibxpress.com. The following tools are at your employees' fingertips — all in one place — to help them assess their health, create meaningful action plans, and track their progress:

- **Wellness Profile** – After answering some simple questions, your employees immediately receive a health score and a personalized action plan for improvement.
- **Personal Health Record (PHR)** – Tracks your employees' medical history — such as doctor visits, personal health data, and prescription drugs — from one centralized, secure location.
- **My Health Assistant** – Using information from the Wellness Profile and PHR, this online coaching tool guides your employees in setting goals, choosing healthy activities that fit their needs and lifestyle, and tracking their progress to stay motivated.

Reimbursements motivate healthy behaviors

More than anything else, the ordinary decisions we make every day are the things that most influence our health and well-being, including what we eat and how much we move our body.

With this in mind, IBC offers your employees reimbursements to encourage the small steps that can lead up to big changes in their overall health.

Your employees can receive up to \$150 back for completing a weight management program, visiting a gym at least 120 times in a year, or completing a tobacco cessation program.

Health Coaches support health management decisions

All of your employees have access to an IBC Health Coach. Our Health Coaches are registered nurses who serve as a single, trusted point of contact to answer your employees' questions, address concerns, and coordinate care.

Health Coaches have a 360-degree view of an employee's health using our Nurse Dashboard tool, including claims history, pharmacy utilization, and information from the Wellness Profile. This enables them to have more meaningful and productive interactions with members, which fosters engagement to help them reach their health goals.

Promote a higher level of engagement

As an employer, you have the opportunity to positively influence your employees where they spend most of their waking hours — at work. We offer you the option to invest in additional tools and support to help you foster a culture of health including:

- Points-based rewards programs
- Worksite wellness programs
- Team wellness challenges
- WebMD wellness coaching
- Enhanced condition management

Blue365® discounts

Your employees can take advantage of value-added discounts and special offers from leading national companies to help them save money on health-related products and services.

Contact your IBC account executive, independent broker, or consultant for more information about Healthy Lifestyles Solutions.

Part IV: New Member Capabilities

Today's rapidly changing health care environment demands that your employees have the resources they need to help them make informed decisions. To help you and your employees meet these demands, in 2014 we will begin migrating customers to a new operating platform.

Your migration to our new platform will take place on your renewal date. There will be some changes to current business processes, and we will be working closely with you to make the transition as seamless as possible for you and your employees.

Our platform transformation will offer you increased flexibility and efficiency in administering health care benefits and more robust data reporting and analytics for managing costs and health outcomes. It will also provide you and your employees with new capabilities, including product innovations, enhanced spending account functionality, and more tools to drive healthy behaviors.

Your employees will have new opportunities to become engaged in achieving their health and wellness goals with:

- A streamlined member website with more information and decision-support tools to help them better manage their health care dollars.
- Access to innovative yet simple ways to assess their health, track their progress, and maintain their health information online through an expanded collection of tools, services, and information available through WebMD, the one of the leading sources for trusted and timely health and medical news.

Our streamlined member website is easier to navigate


Your employees have quick and secure access to help manage their benefits and take control of their health — anytime and anywhere — at ibxpress.com. Our platform transformation will improve the capabilities of the website and offer new self-service tools to make it even easier for members to manage their benefits and make informed decisions about their health care.

Enhancements include streamlined navigation, robust new features for managing health savings accounts, and better integration of health and wellness information to increase engagement.



Our improved Explanation of Benefits is easier to read and understand

We provide your employees with an explanation of benefits (EOB) to help them understand their out-of-pocket costs for care they receive. Our EOBs will have a new, easier-to-read format. As they do today, members will receive an EOB when they owe a specific amount, such as coinsurance or a deductible for covered services, and if a claim is denied because it is not a covered service.

Independence 

1901 Market Street
Philadelphia, PA
19103-1480

Explanation of Benefits

THIS IS NOT A BILL

CONTRACT HOLDER NAME: JOHN DOE
MEMBER ID: ABC123451234
GROUP NAME: XYZ COMPANY
GROUP ID: 123456789
CLAIM ACTIVITY FOR: JANE DOE
CLAIM NUMBER: 0936486597
CLAIM EFFECTIVE: 12/24/03

EXPLANATION AT A GLANCE
DATES OF SERVICE: 12/18/03 - 12/20/03
WE SENT CHECK TO: ABC HOSPITAL - A Network Facility
CLAIM PAYMENT AMOUNT: \$567.78
PROVIDER MAY BILL YOU (IF NOT ALREADY PAID): \$221.04

Provider Date of Service Type of Service Service Code (Number of Services)	Provider Charges	Member Responsibility			Health Plan Pay-At	Health Plan Pays	Your Share of Amount Remaining	Amount You Owe Provider
		Your Deductible	Your Amount of Covered Charges	Amount Remaining				
ABC HOSPITAL 12/18/03 - 12/20/03 Inpatient - Day	788.73	788.73	80.00	708.73	80%	567.78	181.81	221.04
HUMANA	788.73	788.73	80.00	708.73		567.78	181.81	221.04

Remarks

We provide administrative claims payment services only and do not assume any financial risk or obligation regarding claims.

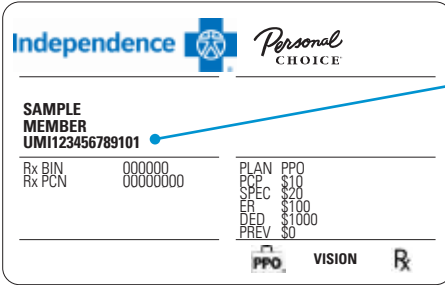
New paperless EOB option

Members can now choose to go green by viewing their EOB online at ibxpress.com or having it sent to them by email. They also have the option to receive a paper copy by mail.

All members will receive new ID cards

Your employees and anyone covered under their health plan will receive new member ID cards based on your renewal date. The new ID cards are similar to the current cards, with important new features — new member and pharmacy identification numbers.

The member ID number will be the same for each person covered under the plan. New cards will be issued by mail about a week prior to your effective date on the new platform.



New identification numbers:

All members will have a new member ID number, which doctors and hospitals use to submit claims to IBC for covered services. Note: The member number is now the same for each person covered under the health plan.

Count on us to help you navigate the changing health care landscape

We are committed to offering you products and services that help your employees stay healthy and industry leading capabilities that can make your job easier.

Keep your eye on your mail: Before your renewal date, you will receive your more information to help prepare you for account administration changes and enhancements to ibxpress.com that will help make your benefits management easier and faster than ever before.



Independence Blue Cross offers products directly, through its subsidiaries Keystone Health Plan East and QCC Insurance Company, and with Highmark Blue Shield — Independent licensees of the Blue Cross and Blue Shield Association.