

Changes to All Small Business PPO plans (Off-Exchange) Blue Shield of California

As of July 1, 2016

This notice describes changes and clarifications to your Blue Shield health coverage upon the group's renewal date. For detailed information about these changes, please read the *Evidence of Coverage* (EOC) and *Summary of Benefits* (SOB). If you have any questions about the changes listed below, please contact your benefits administrator or call Customer Service at **(888) 852-5345**.

The following changes are made to your health plan.

| Category | Description | | | | |
|---|---|--------------------------|--|---|--|
| Health plan name changes | <p>Pursuant to a standard plan naming convention established by Covered California and for uniformity of our portfolio, Blue Shield of California has updated the names of all Small Business health plans based on the following naming convention:</p> <p><i>[metal tier]+[plan type]+[deductible amount/office visit copay]+OffEx</i></p> <p><i>Please see the crosswalk entitled "New plan names for 2016 for Small Business" enclosed in the renewal packet for the new name of your health plan. This notice refers plans by their new 2016 plan names.</i></p> | | | | |
| Pediatric dental | <p>Blue Shield will be offering pediatric dental benefits in all health plans effective January 1, 2016. Previously, this essential health benefit was issued as a rider with all ACA health plans.</p> | | | | |
| Calendar-year out-of-pocket maximum | <p>Pursuant to 2016 IRS guidelines, the calendar-year out-of-pocket maximums for covered services received from participating providers will change as follows:</p> <table border="1"> <tbody> <tr> <td>Gold Full PPO 0/20 OffEx</td> <td>From \$5,000 individual/\$10,000 family To \$6,500 individual/\$13,000 family</td> </tr> <tr> <td>Gold Full PPO 750/20 OffEx Gold Full PPO 1000/35 OffEx Silver Full PPO 1250/40 OffEx Silver Full PPO 1700/40 OffEx Bronze Full PPO 3500/60 OffEx Bronze Full PPO 4500/45 OffEx</td> <td>From \$6,250 individual/\$12,500 family To \$6,500 individual/\$13,000 family</td> </tr> </tbody> </table> | Gold Full PPO 0/20 OffEx | From \$5,000 individual/\$10,000 family To \$6,500 individual/\$13,000 family | Gold Full PPO 750/20 OffEx Gold Full PPO 1000/35 OffEx Silver Full PPO 1250/40 OffEx Silver Full PPO 1700/40 OffEx Bronze Full PPO 3500/60 OffEx Bronze Full PPO 4500/45 OffEx | From \$6,250 individual/\$12,500 family To \$6,500 individual/\$13,000 family |
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| Gold Full PPO 750/20 OffEx Gold Full PPO 1000/35 OffEx Silver Full PPO 1250/40 OffEx Silver Full PPO 1700/40 OffEx Bronze Full PPO 3500/60 OffEx Bronze Full PPO 4500/45 OffEx | From \$6,250 individual/\$12,500 family To \$6,500 individual/\$13,000 family | | | | |
| Calendar-year medical and pharmacy deductibles | <p>To maintain the actuarial value of the health plan, Blue Shield will change the calendar-year medical and pharmacy deductible(s) as follows:</p> <p><i>For the Bronze Full PPO 3500/60 OffEx plan, the combined medical-and-pharmacy deductible is replaced with separate medical and pharmacy deductibles.</i></p> <p><i>Before the group's 2016 contract renewal on or after January 1, 2016, this plan had a combined medical-and-pharmacy deductible of \$3,000 individual/\$6,000 family, and generic drugs applied to this deductible.</i></p> | | | | |

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| Category | Description | | | | | | | | | | |
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| | <p><i>Upon the group's contract renewal on or after January 1, 2016, the pharmacy deductible will be \$225 individual/\$450 family, and Tier 1 drugs will not apply to the pharmacy deductible. The medical deductible will be \$3,500 individual/\$7,000 family.</i></p> <p><i>For the Silver Full PPO 1250/40 OffEx plan, the pharmacy deductible will be reduced from \$500 individual/\$1,000 family to \$250 individual/\$500 family.</i></p> | | | | | | | | | | |
| <p>Prescription drug formulary tiers</p> | <p><i>Pursuant to the standardized benefit plans established by Covered California and for uniformity of our portfolio, all prescription drug tiers under the Standard Formulary will be revised as follows:</i></p> <table border="1" data-bbox="516 499 1425 806"> <thead> <tr> <th data-bbox="516 499 922 541"><i>Tier names in 2015</i></th> <th data-bbox="922 499 1425 541"><i>Tier names in 2016</i></th> </tr> </thead> <tbody> <tr> <td data-bbox="516 541 922 604"><i>Generic Drugs</i></td> <td data-bbox="922 541 1425 604"><i>Tier 1 - Mostly Generic Drugs and low-cost, Preferred Brand Drugs</i></td> </tr> <tr> <td data-bbox="516 604 922 667"><i>Preferred Brand Drugs</i></td> <td data-bbox="922 604 1425 667"><i>Tier 2 - Preferred Brand Drug and Non-Preferred Generic Drugs</i></td> </tr> <tr> <td data-bbox="516 667 922 730"><i>Non-Preferred Brand Drugs</i></td> <td data-bbox="922 667 1425 730"><i>Tier 3 - Non-Preferred Brand Drugs, and Non-Preferred Generic Drugs</i></td> </tr> <tr> <td data-bbox="516 730 922 806"><i>Specialty Drugs</i></td> <td data-bbox="922 730 1425 806"><i>Tier 4 - Specialty Drugs or net drug cost per prescription >\$600</i></td> </tr> </tbody> </table> <p><i>Formerly, prescription drugs under Preferred Brand Drugs, Non-Preferred Brand Drugs, and Specialty Drugs applied to the calendar-year brand drug deductible. Now, prescription drugs under Tiers 2, 3, and 4 apply to the calendar-year pharmacy deductible, if applicable. Also, non-specialty drugs under Tiers 4 are now available through the mail order program.</i></p> <p><i>Drugs not listed on the Standard Formulary can be covered with prior authorization review and approval for medical necessity. Members currently using these drugs will be allowed continued access without prior authorization, while prior authorization is required for new prescriptions henceforth. Please review your EOC and SOB for additional details.</i></p> <p><i>Members can contact Customer Service at the number provided on the back page of the EOC to ask if a specific drug is included in the formulary or to request a printed copy of the formulary. Members can also find the drug formulary at https://www.blueshieldca.com/bsca/pharmacy</i></p> | <i>Tier names in 2015</i> | <i>Tier names in 2016</i> | <i>Generic Drugs</i> | <i>Tier 1 - Mostly Generic Drugs and low-cost, Preferred Brand Drugs</i> | <i>Preferred Brand Drugs</i> | <i>Tier 2 - Preferred Brand Drug and Non-Preferred Generic Drugs</i> | <i>Non-Preferred Brand Drugs</i> | <i>Tier 3 - Non-Preferred Brand Drugs, and Non-Preferred Generic Drugs</i> | <i>Specialty Drugs</i> | <i>Tier 4 - Specialty Drugs or net drug cost per prescription >\$600</i> |
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| <i>Generic Drugs</i> | <i>Tier 1 - Mostly Generic Drugs and low-cost, Preferred Brand Drugs</i> | | | | | | | | | | |
| <i>Preferred Brand Drugs</i> | <i>Tier 2 - Preferred Brand Drug and Non-Preferred Generic Drugs</i> | | | | | | | | | | |
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| <i>Specialty Drugs</i> | <i>Tier 4 - Specialty Drugs or net drug cost per prescription >\$600</i> | | | | | | | | | | |
| <p>Prescription drug copayment maximum</p> | <p><i>Pursuant to a new state law, Blue Shield has established a copayment maximum for drugs in Tier 4.</i></p> <p><i>For all Gold, Silver, and Platinum Full PPO OffEx plans, the new copayment maximums for Tier 4 drugs are \$250 per prescription at retail pharmacies and Network Specialty Pharmacies and \$500 per prescription at mail order pharmacy.</i></p> <p><i>For all Bronze Full PPO OffEx plans, the new copayment maximums for Tier 4 drugs are \$500 per prescription at retail pharmacies and Network Specialty Pharmacies and \$1,000 per prescription at mail order pharmacy.</i></p> | | | | | | | | | | |
| <p>Primary care physician office visits</p> | <p><i>To maintain the actuarial value of the health plan, Blue Shield will increase the copayment for primary care physician office visit for the Silver Full PPO 1250/40 OffEx plan from \$35 to \$40 per visit.</i></p> | | | | | | | | | | |

| Category | Description |
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| Plan coinsurance | <p>To maintain the actuarial value of the health plan, Blue Shield will change the plan coinsurances for participating providers as follows:</p> <p><i>For the Gold Full PPO 0/20 OffEx plan, the coinsurance will increase from 25% to 30%.</i></p> <p><i>For the Silver Full PPO 1250/40 OffEx plan, the coinsurance will increase from 30% to 40%.</i></p> <p><i>Covered services include: diagnostic X-ray and imaging services, radiological and nuclear imaging services at a freestanding radiological center, outpatient rehabilitation and habilitation visits, emergency transportation (ground or air), ambulatory surgery center, inpatient hospitalization, home health, skilled nursing facility, durable medical equipment, and non-routine outpatient and inpatient services for mental health, behavioral health, and substance use disorder.</i></p> |
| Radiological and nuclear imaging services at a hospital or at a freestanding radiological center | <p>To maintain the actuarial value of the health plan, Blue Shield will change the coinsurance for radiological and nuclear imaging services from participating providers as follows:</p> <p><i>For the Gold Full PPO 0/20 OffEx plan, the coinsurance for covered services performed at a hospital will increase from \$100 per visit plus 25% to \$100 per visit plus 30%. The coinsurance for covered services performed at a freestanding radiological center will increase from \$100 per visit plus 25% to 30%.</i></p> <p><i>For the Silver Full PPO 1250/40 OffEx plan, the coinsurance for covered services performed at a hospital will increase from \$100 per visit plus 30% to \$100 per visit plus 40%. The coinsurance for covered services performed at a freestanding radiological center will increase from 30% to 40%.</i></p> |
| Emergency services (not resulting in admission to a hospital) | <p>To maintain the actuarial value of the health plan, Blue Shield will change the copayment for emergency room not resulting in admission to a hospital and for physician services at an emergency room as follows::</p> <p><i>For the Gold Full PPO 0/20 OffEx plan, the copayment for emergency room will increase from \$100 per visit plus 25% to \$100 per visit plus 30%. The copayment for emergency room physician services will increase from 25% to 30%.</i></p> <p><i>For the Silver Full PPO 1250/40 OffEx plan, the copayment for emergency room will increase from \$150 per visit plus 30% to \$150 per visit plus 40%. The copayment for emergency room physician services will increase from 30% to 40%.</i></p> <p><i>For the Bronze Full PPO 3500/60 OffEx plan, the copayment for emergency room will change from \$300 per visit plus 15% to 50%.</i></p> |
| Outpatient rehabilitation and habilitation services – office location | <p>To maintain the actuarial value of the health plan, Blue shield will change the coinsurance for outpatient rehabilitation, habilitation and speech therapy visits for the Bronze Full PPO 3500/60 OffEx plan from 15% to \$60 per visit.</p> |

| Category | Description |
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| Allowable amount cap for hospital services from non-participating hospitals | To enhance the coverage of benefits , Blue Shield will increase the allowable amount for non-emergency hospital services, including inpatient skilled nursing and mental health services, received at non-participating facilities, from \$600 per day to \$2,000 per day |
| Small employer group size definition Change | On January 1, 2016, California state law went into effect which redefined "small employer" to include groups of up to 100 employees. The determination of employer group size must be made annually and groups must adhere to the method for counting full-time employees and full time equivalent employees outlined in Section 4980H(c)(2) of the Internal Revenue Code. |

The following clarifications are made to the description of benefits to your health plan.

| Description | Summary |
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| Pediatric dental posterior composite resin | <p>The following footnote is added to the "Pediatric Dental Benefits" section of the SOB to clarify that the plan covers posterior composite resin at the amalgam filling rate:</p> <p><i>"Posterior composite resin, or acrylic restorations are optional services, and Blue Shield will only pay the amalgam filling rate while the Member will be responsible for the difference in cost between the Posterior composite resin and amalgam filling."</i></p> |
| Substance use disorder | <p>The definition of outpatient substance use disorder services is added to the EOC, as follows:</p> <p><i>"Outpatient Substance Use Disorder Services – Outpatient Facility and professional services for the diagnosis and treatment of Substance Use Disorder Conditions, including but not limited to the following:</i></p> <ol style="list-style-type: none"> 1) Professional (Physician) office visits 2) Partial Hospitalization 3) Intensive Outpatient Program 4) Office-Based Opioid Treatment 5) Post-discharge ancillary care services. <p><i>These services may also be provided in the office, home, or other non-institutional setting."</i></p> |
| Speech therapy services | <p>The benefit description for speech therapy services are clarified as follow.</p> <p>The previous language in the 2015 EOC: <i>"Benefits are provided for outpatient Speech Therapy services when ordered by a Physician and provided by a licensed speech therapist or other appropriately licensed or certified Health Care Provider pursuant to a written treatment plan for an appropriate time to (1) correct or improve the speech abnormality (2) evaluate the effectiveness of treatment; or (3) provide Habilitation services for the Member."</i></p> <p>The updated language in the 2016 EOC: <i>"Benefits are provided for medically necessary outpatient Speech Therapy services when ordered by a Physician and provided by a licensed speech therapist/pathologist, or other appropriately licensed or certified Health Care Provider pursuant to a written treatment plan to</i></p> |

| Description | Summary |
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| | <p><i>correct or improve (1) communication impairment; (2) a swallowing disorder; (3) an expressive or receptive language disorder; or (4) an abnormal delay in speech development."</i></p> |
| <p>Habilitative services</p> | <p><i>Effective January 1, 2016, California law adopted a new definition of "habilitative services." In the EOC, the "Habilitation Services" in the Definitions section is renamed to "Habilitative Services" and replaced in its entirety with the following:</i></p> <p><i>"Habilitative Services (Habilitation Services) – Health care services and devices that help a person keep, learn, or improve skills and functioning for daily living. Examples include therapy for a child who is not walking or talking at the expected age. These services may include physical and occupational therapy, speech-language pathology, and other services for people with disabilities in a variety of inpatient or outpatient settings, or both."</i></p> |