

Changes to All Small Business Full PPO Savings 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.

Description	Summary
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 cost share]+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 medical and pharmacy deductible	<p>To comply with a new law in California, Blue Shield has modified the calendar year deductible for family coverage in the Silver Full PPO Savings 2000/20% OffEx, the Bronze Full PPO Savings 4500/30% OffEx and the Bronze Full PPO Savings 5500/40% OffEx plans to add an individual deductible within the family deductible. This embedded calendar-year deductible for family coverage applies to both the deductible for services received from participating providers and the deductible for services received from nonparticipating providers.</p>
Calendar-year medical and pharmacy deductible	<p>In order to maintain the actuarial value of the health plan, for Bronze Full PPO Savings 4500/30% OffEx, the in-network deductible will increase from \$3,500 individual/\$7,000 family to \$4,500 individual/\$9,000 family, and the out-of-network deductible will increase from \$6,400 individual/\$12,800 family to \$9,000 individual/\$18,000 family.</p> <p>In accordance with IRS qualifications of a High Deductible Health Plan (IRS Notice 2015-30), the in-network deductible in the Silver Full PPO Savings 2000/20% OffEx plan will increase from \$2,000 to \$2,600 per individual on a family contract.</p>
Accrual of calendar-year out-of-pocket maximum (OOPM)	<p>To comply with new requirements that a family out-of-pocket maximum (OOPM) has an individual OOPM accruing within the family OOPM for certain HSA-eligible high deductible health plans, Blue Shield has modified the family coverage for the Silver Full PPO Savings 2000/20% OffEx, the Bronze Full PPO Savings 4500/30% OffEx, and the Bronze Full PPO Savings 5500/40% OffEx. The OOPM for covered services can be met for an individual with family coverage, even if the family has not met the family deductible for the</p>

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	<p><i>calendar year. This change applies to the OOPM for services received from participating providers and the OOPM for services received from nonparticipating providers.</i></p>										
<p>Calendar-year out-of-pocket maximum (OOPM)</p>	<p>Pursuant to a requirement establishing a maximum calendar year out of pocket maximum amount for health plans, the family OOPM for participating providers in the Silver Full PPO Savings 2000/20% plan has been decreased from \$8,800 per family to \$6,500 per family.</p>										
<p>Calendar-year out-of-pocket maximum (OOPM)</p>	<p>Pursuant to 2016 IRS guidelines, the calendar-year OOPM for covered services received from participating providers for the Bronze Full PPO Savings 4500/30% OffEx plan will increase from \$6,000 individual/\$12,000 to \$6,500 individual/\$13,000 family.</p> <p>The calendar-year OOPM for covered services received from participating providers for the Bronze Full PPO Savings 5500/40% OffEx plan will increase from \$6,250 individual/\$12,500 family to \$6,500 individual/\$13,000 family.</p>										
<p>Prescription drug formulary tiers</p>	<p>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:</p> <table border="1" data-bbox="516 764 1422 1066"> <thead> <tr> <th data-bbox="516 764 922 800">Tier names in 2015</th> <th data-bbox="922 764 1422 800">Tier names in 2016</th> </tr> </thead> <tbody> <tr> <td data-bbox="516 800 922 856">Generic Drugs</td> <td data-bbox="922 800 1422 877">Tier 1 - Mostly Generic Drugs and low-cost, Preferred Brand Drugs</td> </tr> <tr> <td data-bbox="516 856 922 913">Preferred Brand Drugs</td> <td data-bbox="922 877 1422 934">Tier 2 - Preferred Brand Drug and Non-Preferred Generic Drugs</td> </tr> <tr> <td data-bbox="516 913 922 970">Non-Preferred Brand Drugs</td> <td data-bbox="922 934 1422 991">Tier 3 - Non-Preferred Brand Drugs, and Non-Preferred Generic Drugs</td> </tr> <tr> <td data-bbox="516 970 922 1066">Specialty Drugs</td> <td data-bbox="922 991 1422 1066">Tier 4 - Specialty Drugs or net drug cost per prescription >\$600</td> </tr> </tbody> </table> <p>Formerly, prescription drugs under Generic Drugs, Preferred Brand Drugs, Non-Preferred Brand Drugs, and Specialty Drugs applied to the Calendar-Year Brand Drug Deductible. The "Brand Drug Deductible" will be replaced with "Pharmacy Deductible," and prescription drugs under Tiers 1, 2, 3, and 4 will apply to the pharmacy deductible. Also, non-specialty drugs under Tiers 4 are now available through the mail order program.</p> <p>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.</p> <p>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</p>	Tier names in 2015	Tier names in 2016	Generic Drugs	Tier 1 - Mostly Generic Drugs and low-cost, Preferred Brand Drugs	Preferred Brand Drugs	Tier 2 - Preferred Brand Drug and Non-Preferred Generic Drugs	Non-Preferred Brand Drugs	Tier 3 - Non-Preferred Brand Drugs, and Non-Preferred Generic Drugs	Specialty Drugs	Tier 4 - Specialty Drugs or net drug cost per prescription >\$600
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<p>Prescription drug copayment maximum</p>	<p>Pursuant to a new state law, Blue Shield has established a copayment maximum for drugs in Tier 4.</p> <p>For the Silver Full PPO Savings 2000/20% OffEx plan, the 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.</p>										

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	<p><i>For the Bronze Full PPO Savings 4500/30% OffEx and Bronze Full PPO Savings 5500/40% OffEx plans, the 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>Allowable amount cap for hospital services from non-participating hospitals</p>	<p>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, will from \$600 per day to \$2,000 per day.</p>
<p>Small employer group size definition change</p>	<p>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.</p>

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

Description	Summary
<p>Pediatric dental posterior composite resin</p>	<p><i>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:</i></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>
<p>Substance use disorder</p>	<p><i>The definition of outpatient substance use disorder services is added to the EOC, as follows:</i></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"> <i>1) Professional (Physician) office visits</i> <i>2) Partial Hospitalization</i> <i>3) Intensive Outpatient Program</i> <i>4) Office-Based Opioid Treatment</i> <i>5) Post-discharge ancillary care services.</i> <p><i>These services may also be provided in the office, home, or other non-institutional setting."</i></p>
<p>Speech therapy services</p>	<p><i>The benefit description for speech therapy services is clarified as follows.</i></p> <p><i>The previous language in the 2015 EOC:</i></p> <p><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><i>The updated language in the 2016 EOC:</i></p> <p><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 correct or improve (1)</i></p>

Description	Summary
	<p><i>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>