

Blues Advantage[®]

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Blues Advantage to take the online leap

We are getting closer to giving you *Blues Advantage* electronically.

When we do, we'll still provide comprehensive information on Blues benefits and products, and in-depth features about the health care industry and its trends. The difference is that it will be delivered to your e-mail box in a more accessible and convenient format.

The first step to getting *Blues Advantage* online is to register your e-mail address with us. Simply go to **bcbsm.com/bluesadvantage** and provide us with your information.

You'll see more information about this exciting change in the next issue.

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New Preferred Therapy initiative now available to local groups

Reducing pharmacy costs for you and your employees continues to be a major focus at Blue Cross Blue Shield of Michigan. Preferred Therapy is the Blues' newest pharmacy initiative designed to help control costs while continuing to ensure members receive the level of coverage they've come to expect from us.

This initiative will affect customer group claims processed by MedImpact starting April 1, 2010.

What is Preferred Therapy?

This initiative allows the Blues to more effectively manage the use of high-cost, highly marketed brand-name drugs as first-line therapy. We focus on first-time users, as opposed to patients already established on one of these targeted drugs. Keeping our members' health in mind, this initiative is designed to provide members with the drugs they need at the lowest possible cost.

Targeted brand-name drugs are listed by category in the following chart. The first-line therapy for a medical condition starts with the generic alternative and then, when medically appropriate and with prior authorization, the member would receive the more expensive brand-name drug. The Blues work closely with the member's physician to determine which medication options are best for the member.

Does Preferred Therapy affect all prescriptions?

No. To minimize disruption to members, Preferred Therapy applies only to prescriptions being filled for the first time. Members currently taking one of the targeted drugs can continue receiving refills without interruption.

What drugs are targeted for Preferred Therapy?

Please note that these drug categories and medications may change. For the most up-to-date list, members should visit bcbsm.com. When the Preferred Therapy initiative begins for local groups on April 1, the following categories and drugs will be included:

Category	Prescription Drug
Cholesterol-lowering drugs	Advicor® Simcor®
Nonsteroidal anti-inflammatory drugs	Flector®
Nasal steroids	Veramyst®
Sleep aids and sedatives	Ambien CR® Edluar®
Antidepressants	Pristiq® Effexor XR® Luvox CR®
ADHD, ADD, stimulants	Vyvanse®

How will Preferred Therapy affect members?

When a member fills a prescription for a targeted brand-name drug for the first time, the pharmacy will contact the member's physician to see if the drug therapy for the medical condition can be changed to the most cost-effective drug. The most cost-effective is generally a generic, generic alternative or over-the-counter medication.

If the lower-cost option is not effective or should not be used in the patient's particular situation, then the physician must request preauthorization from Blue Cross to prescribe the brand-name drug.



Compliance with mental health parity law remains a priority

As mentioned in previous issues, your group may be required to change your benefits to comply with the mental health parity law. If you have mental health or substance abuse benefits and have not assessed whether your benefits comply with the law, it is important that you immediately contact your Blues sales representative or contracted agent.

The law mandates that a health plan's requirements for mental health and substance abuse benefits cannot be more restrictive than what applies to the plan's medical and surgical benefits. If your current benefits do not

meet this requirement — and your group does not qualify for an exemption — they must be adjusted to comply with the law.

The mental health parity law applies to groups with 51 or more employees that offer mental health or substance abuse benefits. This includes self-funded and underwritten groups.

Contact your Blues sales representative or contracted agent about your group's possible benefit changes as a result of the MHP law. If you need guidance about complying with the law, consult with your legal counsel.

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Note: While members currently taking targeted drugs are not required to try the alternative medications, we do encourage them to talk with their physicians about trying the alternative drugs.

How much savings will be generated from this new initiative?

Studies of local prescribing patterns show that up to 40 percent of prescriptions are being filled for the first time rather than refilled. The average cost of brand-name drugs is approximately \$140 while the cost of generic drugs is approximately \$15. Considering these numbers, we expect significant savings from Preferred Therapy. The Blues anticipate saving you approximately \$5 million annually.

Addressing the future

Prescription drugs are the fastest growing component of health care costs and now account for at least 10 percent of all health care spending in the U.S. Spending on prescription drugs is likely to increase over the next several years as more specialty drugs rapidly enter the marketplace.

The Preferred Therapy initiative is aligned with the Blues' 2007 pharmacy initiatives that transitioned us into the role of pharmacy benefit manager, enhancing our ability to deliver a clinically sound, well-administered and cost-effective pharmacy product to you. This new initiative is designed to continue engaging members and their physicians in making better, more cost-effective use of prescription drugs — benefiting both the members and you.



All Medicare Part D pharmacy claims processing now handled by Medco Health Solutions, Inc.®

In our fall issue, we informed you that Medco would be the new pharmacy benefits manager for all Blue Care Network groups, effective Jan. 1, 2010.

We are now providing an update that pharmacy claims for all Blue Cross Blue Shield of Michigan Medicare Part D groups have also been moved to Medco, effective Jan. 1, 2010. This development includes the following plans:

- Blue Cross Medicare PFFS plans (group and individual)
- Blue Cross Individual Medicare PPO (new for 2010)
- Blue Cross Individual Medicare PDP

Medco now processes all in- and out-of-state retail and mail-order pharmacy claims for these plans. This not only increases efficiency and flexibility in benefit plan design, but makes it easier for groups and union members to do business with us.

What you need to know about Medicare Part D change

Members with Medicare Part D coverage received new ID cards in December 2009, identifying Medco as their pharmacy benefits manager and explaining the change.

Please keep the following in mind:

- Member benefits will not be affected.
- The Michigan pharmacy network will not change.
- The mail-order program will remain the same.

If you have questions or need more information, contact your Blues sales representative or contracted agent.

OptionCare gets a new name

OptionCare, the mail-order vendor for Blues members' specialty drugs, will soon have a new name. As of Feb. 1, 2010, OptionCare becomes Walgreens Specialty Pharmacy, LLC. Walgreens purchased OptionCare in 2007.

Blues' social mission: making a healthier Michigan

At the Blues, we often talk about our social mission — and sometimes get questions about what we mean by that.

Our mission is different from that of other health insurance plans. We are the only nonprofit health insurer that guarantees everyone in Michigan access to high quality health care.

As a nonprofit, our focus is on people, not profits. Our way of doing things in Michigan is becoming a model for national health care reform.

Here's a look at some of the important elements of our mission:

- **We cover everyone who applies for medical coverage, regardless of medical condition or age.** We cover everyone; it's that simple.
- **We increase access to health care for the uninsured. Blue Cross helps contain health-system costs by helping people who have no way to pay.**

Here are three ways we do it:

- We support free health clinics, serving more than 90,000 Michigan residents across the state.

- We help cover children of low-income working families in state government's MIChild program, which gives them access to a statewide network of doctors and hospitals.
- We help hospitals defray the costs of uncompensated care and bad debt.

- **We're a national leader in health innovation and collaboration. Our Value Partnerships initiative (see story in this issue) is helping to save lives and reduce health care costs. For example:**

- Our Cardiovascular Consortium on Coronary Angioplasty has saved about \$15 million annually in Michigan health care spending.
- We help support the Michigan Health & Hospital Association Keystone Center for Patient Safety & Quality. Its ICU collaborative — just one of its many projects — has saved more than 1,800 lives and \$47 million in health care costs since 2004.

To learn more, download *Mission Value*, our 2008 social mission report, at bcbsm.com/socialmission.

Blue Cross to issue grants to fight child obesity

In mid-January, Blue Cross will begin accepting proposals for its 2010 Building Healthy Communities: Engaging Schools and Community Partners grant program. In an effort to combat childhood obesity, the grants will fund physical activity and nutrition programs.

The grants are designed to strengthen school and community efforts to reduce the risk of childhood obesity through prevention and partnership. They are an integral part of our social mission to promote access to high-quality health care and improve the health status of Michigan residents, particularly seniors and children.

The grant application will be available in mid-January. At that time, check bcbsm.com/buildhealth for grant details and downloadable forms. For additional information, contact the Blue Cross Social Mission staff at buildhealth2010@bcbsm.com.



Value Partnerships initiative saves lives and dollars

There's been intense debate about health care reform over the past year. But while others have been talking, we've been doing something about it. For nearly a decade, we've focused on improving health care through Value Partnerships — a series of joint initiatives launched by the Blues, physicians and hospitals in Michigan.

Through collaboration and data sharing, Value Partnerships programs and studies are improving the quality of care patients receive, decreasing complications, reducing health care costs and improving outcomes. Here are just three examples:

- Saved \$13 million in one year by decreasing ventilator-assisted pneumonia by 29 percent

- Reduced blood transfusions following angioplasty by 30 percent
- Reduced overall complications from surgery by 37 percent in one year

"Partnerships that bring together hospitals, physicians, other medical professionals and Blue Cross Blue Shield of Michigan play a key role in improving the quality and efficiency of health care in our state," said Thomas Simmer, M.D., Blue Cross senior vice president and chief medical officer.

To learn more, visit valuepartnerships.com.

Blues covering H1N1 vaccine fees this flu season

In an effort to keep Michigan healthy during the 2009-2010 flu season, Blue Cross Blue Shield of Michigan and Blue Care Network are covering the cost of administering the H1N1 (also known as "swine flu") vaccine for our fully insured group customers.

For your information ...

The State of Michigan and Centers for Medicare & Medicaid Services allow pharmacists to administer immunizations and claim reimbursement. This includes administration of the seasonal and H1N1 influenzas, pneumonia and Herpes Zoster (shingles) vaccines. Blue Cross and BCN will cover these immunizations when they are administered by a participating pharmacy. Medicare members need to follow current Medicare guidelines for immunizations, which differ from those of the Blues.

In addition, self-funded groups that do not have coverage for immunizations for children and adults will be able to add coverage for H1N1 upon request. We'll also cover H1N1 vaccinations for our members with individual health plans, those with Medicare coverage and small groups of 100 or fewer members.

This year, the government will provide the H1N1 vaccine at no cost, which is why our coverage focuses on the cost of administering the H1N1 flu shot.

"Blue Cross is doing all we can to keep Michigan as healthy as possible this flu season," said Blues President and CEO Daniel J. Loepp. "It's important we act now to inoculate people most at risk and to lessen, as best we can, the impact of H1N1 on our communities and health system."

Blues give free health clinics a helping hand

With the unemployment rate currently at 15.3 percent, more Michigan residents than ever are going without health insurance. This has increased the need for free health clinics throughout the state.

To support this important community resource, Blue Cross Blue Shield of Michigan has awarded \$1 million in grants to 47 free clinics throughout the state. The grants are helping the clinics provide health services to individuals and families who are underinsured or do not have health insurance. About 2.5 million Michigan residents younger than 65 years old went without health insurance at some time between 2007 and 2008.

"In these difficult times, free clinics are putting health care in reach for people who need it," said Lynda Rossi, Blues vice president for Social Mission and Public Affairs.

"Free clinics are a place for uninsured people to turn to for quality health care. Uninsured residents who get care in free clinics often otherwise would delay seeing a physician because of the cost. Delay often leads to more expensive care in emergency rooms and even hospital stays."

The Blues have contributed \$5 million to free clinics since 2005. Access to free clinics helps curb the rising cost of health care. This year's grant program aims to help clinics provide important services like primary care and behavioral health care, case management, dental services, specialty and diagnostic care and prescription drugs. In 2008, Michigan free clinics were able to provide an estimated 122,000 patient visits combined.

A list of 2009 free clinics grant recipients follows or you can view a list at bcbsm.com.

Southeast Michigan

Brownstown Twp.

Wyandotte Clinic for the Working Uninsured
23050 West Rd., Suite 260
734-365-3560

Detroit

HUDA Clinic
1605 W. Davison Ave.
313-865-8446

Joy-Southfield Health and Education Center

18917 Joy Rd.
313-581-7773

Order of Malta Medical/Dental Clinic
4860 15th St.
313-894-2240

St. Frances Cabrini Clinic
1234 Porter St.
313-961-7863

University of Detroit Mercy Counseling Clinic
4001 W. McNichols
313-993-1093

Mt. Clemens

Mt. Clemens Regional Medical Center Medical Outreach Clinic
1000 Harrington Blvd.
586-493-8000

Pontiac

Gary Burnstein Community Health Clinic
90 W. University
248-758-1690

Mercy Place Clinic
55 Clinton Street
248-333-0840

Southfield

Tri-County Dental Health Council
29350 Southfield Rd., Suite 35
248-559-7767

Warren

St. John Community Health
28000 Dequindre
586-753-1484

West Bloomfield

Project Chessed (Jewish Family Services)
6555 W. Maple Rd.
248-592-2300

Westland

Project H, Wayne County Family Center
30600 Michigan Ave.

Ypsilanti

Hope Dental Clinic
9S. Adams
734-481-0111

Mid-Michigan

Brighton

VINA Community Dental Center
400 E. Grand River Ave.
810-844-0240

Hillsdale

St. Peter's Free Clinic of Hillsdale County, Inc.
3 N. Broad St.
517-437-4041

Jackson

St. Luke's Clinic
132 Seymour Ave.
517-783-1117

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Lansing

Care Free Medical & Dental
5135 S. Pennsylvania Ave.
517-887-5992

Pinckney

Faith Medical Clinic
122 Howell St.
734-474-4627

Flint and Tri-Cities

Essexville

Helen M. Nickless
Volunteer Clinic
1460 W. Center Rd.
989-895-4830

Flint

Genesee County Free
Medical Clinic
2437 Welch Blvd.
810-235-4211

Lapeer

Loving Hands Clinic
148 Maple Grove Rd.
810-667-8933

Saginaw

Cathedral Mental Health Care
705 Hoyt Ave.
989-759-3356

**Community Prescription
Support Program**

401 Holden St.
989-907-5602

**Healthy Futures of St. Mary's
of Michigan**

2215 N. Center Rd.
989-907-8108

West Michigan

Allegan

Seeds of Grace
311 ½ Hubbard St.
269-288-0253

Battle Creek

Nursing Clinic of Battle Creek
34 Green St.
269-962-6565

Coldwater

Presbyterian Health Clinic
of Branch County
15 Church St.
517-278-7848

Grand Rapids

Catherine's Care Center
224 Carrier NE
616-336-8800

Health Intervention Services
15 Andre SE
616-475-8446

Oasis of Hope Center

522 Leonard St. NW
616-451-8868

Project Access

233 E. Fulton, Suite 226
616-459-1111

Hastings

Barry Community Free Clinic
1230 W. State St.
269-945-4444

Holland

Holland Free Health Clinic
99 W. 26th St.
616-392-3610

Kalamazoo

Free Clinic of Kalamazoo
2918 Portage St.
269-344-0044

Marshall

Fountain Clinic
111 N. Jefferson
269-781-0952

Three Rivers

Riverside Health Clinic
207 E. Michigan Ave.
269-273-3744

Zeeland

City on a Hill Ministries
Health Clinic
100 S. Pine St., Suite 140
616-748-6009

**Northern Lower
Peninsula and
Upper Peninsula**

Big Rapids

Hope House Free
Medical Clinic
15085 220th Ave.
231-796-0807

Cadillac

Cadillac Area Community
Health Clinic
521 Cobbs St.
231-876-7818

Cheboygan

Northern Care Center
225 Water St.
231-333-3019

Grayling

AuSable Free Clinic Inc.
1250 E. Michigan Ave.
989-348-0740

Manistee

Manistee Area
Community Clinic
385 Third St.
231-309-8940

Petoskey

Community Free Clinic
820 Arlington, Suite 6
231-487-3600

Traverse City

Traverse Health Clinic
3147 Logan Valley Rd.
231-935-0668

Marquette

Medical Care Access
Coalition Volunteer Clinic
1414 W. Fair Ave., Suite 26
906-226-4400

Sault Ste. Marie

Community Health Access
Coalition Volunteer Clinic
508 Ashmun St.
906-635-7451

BCN Roundup

Blue Care Network makes pharmacy change

Blue Care Network began using Medco as its new pharmacy claims processor as of Jan. 1, 2010. This change was made to address the following:

- Some members refilling specialty prescriptions were receiving 90-day supplies. The benefit limits specialty refills to a 34-day supply. With the system correction, all members will receive the same 34-day supply benefit.
- Some members refilling 90-day prescriptions at a retail pharmacy were being charged only one copayment. The benefit requires additional copayments. With the system correction, all prescriptions will be processed as required.

Claims will not be processed retroactively for either of these situations. BCN sent letters to all members whose prescriptions would be affected.

BCN acts on FDA alert about diabetic supplies

BCN will send new supplies to members who use Roche ACCU-CHEK or Abbott FreeStyle blood glucose meters and test strips. Our action is in response to a report from the U.S. Food and Drug Administration that indicated that these supplies might deliver false high blood sugar results.

The false readings occurred only in patients receiving therapeutic products that contain nonglucose sugars, primarily patients undergoing kidney dialysis. They occurred because these meters and test strips use a technology known as GDH-PQQ that cannot distinguish between glucose and nonglucose sugars.

Although problems are rare, BCN and its diabetic supply partner, J&B Medical Supply, agreed that the most prudent course of action was to have members avoid GDH-PQQ glucose test strips entirely. BCN is sending letters to all members who use Roche or Abbott meters and test strips. The letter advises them of the concern and asks that they request a free replacement Bayer or Lifescan meter from BCN's diabetic supply vendor.

MyBlue MedigapSM product now available

The Blues are introducing MyBlue Medigap for individuals with Medicare who pay for their own health benefits. It complements Original Medicare Part A and Part B benefits. While it is offered through Blue Care Network, members can visit any health care provider that accepts Medicare. There are no provider networks or referrals. Members simply present their MyBlue Medigap ID card along with their red, white and blue Medicare health insurance card whenever they receive health care.

MyBlue Medigap, which has three plan options, will be of special interest to members who must select new coverage for 2010. It features variable rates based on a member's age, body mass index, gender, tobacco use and geographic location. No one will be turned down for coverage because of age or health status.

MyBlue Medigap provides coverage throughout the United States and its territories.

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Customer Service hotlines are added to walk-in centers

The Blues offer walk-in centers throughout the state. Some of our centers offer personal assistance and others offer a direct-line telephone that connects members to a Blues Customer Service representative.

Customer Service representatives are available at these locations:

- **Ann Arbor**
2311 Green Road, Suite 2323
- **Southfield**
20500 Civic Center Drive

Phone service only is available at these locations:

- **Flint**
4520 Linden Creek Parkway, Suite A
- **Grand Rapids**
611 Cascade West Parkway, SE
- **Saginaw**
4300 Fashion Square Blvd.

Lansing Family Health Center closes

Blue Care Network's Lansing Family Health Center is officially closed. Members who used the FHC and need access to their medical records, mammograms or X-rays should call 1-800-934-3453. They can also write to the vendor handling FHC requests:

Iron Mountain

1500 East Whitcomb Avenue, Suite 300
Madison Heights, MI 48071

As of Sept. 30, 2009, all pharmacy records were transferred to:

Knight Drugs

1540 Lake Lansing Road, Suite 101
Lansing, Michigan, 48912

For billing concerns, members should contact:

Rehmann Group

Physician Service Organization
3597 Henry Street Suite 201
Muskegon MI 49441

Telephone: 1-231-780-6076

Fax: 1-231-780-6093

Calendar reminders replace postcards

Blue Care Network's coverage is focused on prevention and a commitment to educating members to be informed health care users. One of the ways BCN supports members is by reminding them of important screenings.

This year, screening reminders will come in the form of a 2010 Health & Wellness calendar that all BCN subscribers began receiving in December 2009. The calendar provides information about these health topics:

- Diabetes
- Men's care and annual screenings
- Women's care and annual screenings
- Cancer hot spots: breast, cervical, colorectal
- Asthma and allergies for children
- Flu shots
- Heart health, blood pressure and cholesterol
- Stress
- Lead poisoning

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The calendar also underscores the importance of key health issues and links to national health observances. A “to-do” medical item is highlighted for each month. For most months, the member is directed to the Web for related information of interest.

The 8.5 x 11-inch calendar can be used to pencil in medical activities and other events. There’s also a page at the back to write in emergency numbers and key contact numbers.

BCN successfully launches health reimbursement arrangement

Blue Care Network’s health reimbursement arrangement launched in October 2009 with 700 members. Elements of the new product include:

- Pay-as-you-go HRA funding for employers who are invoiced weekly
- Employer-specified HRA allocation
- Weekly automatic withdrawals from the employer-selected banks to cover claims processed during the previous seven-day period
- Four HRA payout options: HRA pays first; employee pays first or a combination with or without a deductible
- Multiple carryover options
- Reimbursable expenses: deductible, coinsurance or a combination of the two
- *Explanation of Benefits* statements for members detailing services received and HRA dollars used
- Seamless, integrated claims processing with providers paid separately for medical expenses and for HRA-eligible expenses

Videos on MiBCN.com enhance information about BCN plans

Members should tune into **MiBCN.com** if they are looking for more information about Healthy *Blue Living*SM, BCN’s most popular health plan, or BCN’s health reimbursement arrangement plan.

If you visit **MiBCN.com/hbl**, you’ll get access to information about latest requirements for Healthy *Blue Living*’s enhanced benefits. This includes the following two new videos:

- “Why choose Healthy *Blue Living* for your health care coverage”
- “How members can qualify for enhanced benefits”

Both videos feature interviews with BCN health coaches and Healthy *Blue Living* members.

The HRA video, “How Healthy Blue HMO HRA works,” is available at **MiBCN.com/member/healthyBlueHmoHra**. It explains how members can use health reimbursement dollars to help with medical out-of-pocket expenses.

Revised *Group Administrative Manual* available online

The latest edition of *BCN’s Group Administrative Manual* is now available. It includes our most recent policy and procedural changes, including:

- A revised *Enrollment Change of Status* form
- Information about automated premium payments
- Revised *Forms by Fax* form
- Up-to-date information about member discount programs

The manual can be found at **MiBCN.com** under *Group Publications*.



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