MASSACHUSETTS

2017 Product and Benefit Updates

Small Employers
(with 1–50 full-time equivalent employees)

Effective on January 1, 2017

We're making changes to our health plans beginning on or after January 1, 2017. These changes will ensure that our health plans continue to meet the ongoing requirements of health care reform under the Affordable Care Act (ACA) while providing employers and their employees access to high-quality, affordable health plan options.

The 2017 changes to our health plans for employers with 1–50 full-time equivalent employees are explained in the following pages.

Essential Health Benefits

Under the Patient Protection and Affordable Care Act, essential health benefits (EHB) are a set of health care benefits that must be covered by certain health plans beginning in 2014. EHBs include 10 benefit categories: (1) ambulatory patient services; (2) emergency services; (3) hospitalization; (4) maternity and newborn care; (5) mental health and substance use disorder services, including behavioral health treatment; (6) prescription drugs; (7) rehabilitative and habilitative services and devices; (8) laboratory services; (9) preventive and wellness services and chronic disease management; and (10) pediatric services, including oral and vision care.

In addition to the 10 benefit categories that are part of EHB, each state has selected its own "benchmark plan." In Massachusetts, the HMO Blue $2,000 Deductible plan design has been the current benchmark plan since 2014. All benefit categories within the benchmark plan are essential health benefits.

For the 2017 plan year, the Commonwealth of Massachusetts has selected a new EHB benchmark plan: HMO Blue New England $2,000 Deductible Plan. This new benchmark plan includes a new EHB category: Removal of Impacted Teeth.

Chiropractor Services

To meet the EHB requirement that plans must be substantially equal to the EHB benchmark plan in scope of benefits offered, including coverage and limitations, we will remove the 12-visit limit on chiropractor services from applicable Merged Market plans (pre-authorization will apply to visits 13 and beyond).

This change applies to the following plans and is effective January 1, 2017, upon renewal.

• HMO Blue $2,000 Deductible	• HMO Blue $1,000 Deductible
• HMO Blue Basic Copayment	• Access Blue Basic
• Access Blue Basic Saver	• HMO Blue Essential
• HMO Blue Premium	

continued

Removal of Impacted Teeth

In order to meet the EHB requirement that plans must be substantially equal to the EHB benchmark plan in scope of benefits offered, including coverage and limitations, we will add coverage for the removal of impacted teeth that are fully or partially imbedded in the bone.

This change applies to the following Merged Market plans and is effective January 1, 2017, upon renewal.

• HMO Blue $2,000 Deductible	• Preferred Blue PPO $2,000 Deductible
• HMO Blue Basic Copayment	• Preferred Blue PPO Saver $2,000
• Access Blue Basic Saver	• Preferred Blue PPO Basic Copayment
• HMO Blue $1,000 Deductible	• Preferred Blue PPO Basic $2,000
• Access Blue Basic	• Preferred Blue PPO Saver $3,000
• HMO Blue Essential	• Preferred Blue PPO Basic Coins
• Access Blue New England Basic $2,000	• Preferred Blue PPO Basic Saver
• Access Blue New England Basic $2,000 with HCCS	• Preferred Blue PPO Options v.5
• Access Blue New England Basic Saver	• Preferred Blue PPO $500 Deductible with HCCS
• Blue Care Elect $3,000 Deductible	• Preferred Blue PPO Options Deductible II
• Blue Care Elect $4,500 Deductible	• Preferred Blue PPO $1,000 Deductible with HCCS
• Preferred Blue PPO $500 Deductible	• Preferred Blue PPO Options Deductible III
• Preferred Blue PPO $1,000 Deductible	• Preferred Blue PPO $2,000 Deductible with HCCS
• Preferred Blue PPO Saver $1,500	• Preferred Blue PPO Basic $2,000 with HCCS

Habilitative Services

This benefit requires a change in order to meet the ACA requirement that insurers are prohibited from imposing combined limits on both habilitative and rehabilitative services and instead must treat them separately. Effective January 1, 2017, and upon renewal, we will modify the short-term rehabilitation therapy benefit to apply a separate visit limit to habilitative services across Merged Market plans. This benefit requires pre-approval for HMO plans.

The current short-term rehabilitation therapy includes:

- Rehabilitative: 60- or 100-visit benefit limit (dependent on plan design) per member per calendar year for physical and occupational therapy

The new short-term rehabilitation therapy will be expanded to:

- Rehabilitative: 60- or 100-visit benefit limit (dependent on plan design) per member per calendar year for physical and occupational therapy
- Habilitative: 60- or 100-visit benefit limit (dependent on plan design) per member per calendar year for physical and occupational therapy

Prescription Drugs

There is an ACA requirement for 2017 in which a health plan that is required to cover EHBs may not have a mail-order only prescription drug benefit. Therefore, we are removing coverage for our Exclusive Home Delivery (EHD) benefit, which requires prescriptions for maintenance medications to be filled by the Express Scripts Mail Pharmacy.

In place of EHD, we are adding coverage for our Select Home Delivery (SHD) benefit. The SHD benefit allows for the fulfillment of prescriptions at a retail pharmacy if the member selects this choice with Express Scripts. When maintenance medications are filled through the mail service pharmacy, in most cases a smaller copayment will apply and the member will save money for a 90-day supply compared to purchasing the same prescription through a retail pharmacy.

This change applies to the following Merged Market plans and is effective January 1, 2017, and upon renewal.

• HMO Blue $2,000 Deductible	• HMO Blue $1,000 Deductible
• HMO Blue Basic Copayment	• Access Blue Basic
• Access Blue Basic Saver	• HMO Blue Essential
• HMO Blue Premium	

Pediatric Dental—Required EHB Supplemental Category

We currently provide coverage for pediatric dental services in accordance with ACA requirements for all Merged Market plans offered outside of the Health Connector. In response to the EHB requirement that benefits must be supplemented with pediatric dental benefits in the state's Children's Health Insurance Program (CHIP) plan, we have updated our pediatric dental coverage that is co-bundled with our Merged Market plans to match the prescribed CHIP plan benefits.

This change applies to all Merged Market plans and is effective January 1, 2017, and upon renewal.

Pediatric Vision—Required EHB Supplemental Benefit Category

In response to the EHB requirement that benefits must be supplemented with pediatric vision benefits for 2017, coverage for these services will be added across all our Merged Market plans. These vision benefits are based on the Federal Employees Dental and Vision Program (FEDVIP) and are effective January 1, 2017, and upon renewal.

Pediatric vision services for covered members up to the age of 19 are considered essential health benefits and include coverage for exams as well as eyewear (lenses, frames, and contact lenses). Applicable cost share will apply.

2016 Actuarial Value Calculator Changes and Cost Share Changes

The ACA requires use of an Actuarial Value (AV) Calculator by issuers of health insurance plans offered in the individual and small group markets for the purposes of determining levels of coverage.

The final 2016 AV Calculator has been revised from 2015. As a result, changes to out-of-pocket costs or cost shares (like copayments, co-insurance, deductibles, or maximum out-of-pocket expenses) are needed across all our small group plans to ensure that we meet certain levels of cost sharing as required under the ACA. These changes will vary by plan design.

To determine the cost share amounts and benefit changes for a particular plan, please view the Summary of Benefits or Benefit Comparison Fact Sheet.

Maximum Out-of-Pocket Limit Changes

All non-grandfathered health plans must include an out-of-pocket maximum that limits costs for all EHBs, including pharmacy. Out-of-pocket costs include, copayments, co-insurance, and deductibles.

The maximum out-of-pocket limit for health plans cannot be more than the amount set annually by the ACA (and the IRS for Health Savings Account–compatible, high-deductible health plans). Merged Market plans are permitted to include maximum out-of-pocket limits up to the new 2017 limits. For this reason, we are not making changes, unless to meet AV levels of coverage as required under the ACA.

Plan Type	Self-Only Coverage (Individual)	Family Coverage
Health Savings Account (HSA) qualified high-deductible health plans	$6,550	$13,100
Non-HSA qualified health plans	$7,150	$14,300

continued

Pharmacy Benefit Exclusion—Effective January 1, 2017:

Effective January 1, 2017, all drugs in the therapeutic class of inhaled nasal steroids used to treat allergies will be excluded from our pharmacy benefit coverage across all of our Merged Market plans.

Prescription drug exceptions, including those previously approved, will no longer be available for this class of medications.

We previously communicated this change because it appeared in Subscriber Certificates issued beginning January 1, 2016.

Blue Options v.5 and Hospital Choice Cost Sharing Update

As a result of favorable improvements in the following hospitals' cost or quality performance, we are updating their tier in our Blue Options v.5 benefit designs and Hospital Choice Cost Sharing benefit designs. This is effective as a one-day change for all plans and accounts on January 1, 2017. With this update, members will have lower out-of-pocket costs when receiving services at these hospitals.

Blue Options:

Hospital	Previous Blue Options Tier	New Blue Options Tier	Reason for Tier Improvement
Sturdy Memorial Hospital	Basic Benefits Tier	Standard Benefits Tier	Met moderate cost benchmark
Nashoba Valley Medical Center	Standard Benefits Tier	Enhanced Benefits Tier	Met quality benchmark

Hospital Choice Cost Sharing:

Hospital	Previous HCCS Cost Share	New HCCS Cost Share	Reason for Tier Improvement
Sturdy Memorial Hospital	Higher Cost Share	Lower Cost Share	Met moderate cost benchmark

New Plan Designs for Small Groups

We are pleased to introduce several new plan designs, effective January 1, 2017.

New Limited Network "Select Blue" Plans:

- HMO Blue Select $1,000 Deductible
- HMO Blue Select $1,000 Deductible with Copayment
- HMO Blue Select $2,000 Deductible
- HMO Blue Select $2,000 Deductible with Copayment
- HMO Blue Select $3,000 Deductible
- Access Blue Select Saver $2,000

Questions?

Feel free to contact your broker or account executive with questions or visit **bluecrossma.com/bluelinks-for-employers.**

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