



Understanding the **Application Process**

Individual Health Insurance

This guide has been created to assist you in filling out the Wellmark Blue Cross and Blue Shield application for individual health insurance.

1 | OBTAIN INFORMATION

Prior to filling out an application, it is important to know the health history of all individuals listed on the application in order for Wellmark to provide an accurate assessment of an individual's health.

ACCURATE INFORMATION = ACCURATE ASSESSMENT

2 | COMPLETE THE APPLICATION

The most important factor in creating a thorough and consistent underwriting process is the completeness of the information provided. To ensure this, Wellmark requires that the applicant:

- Provide exact names of all prescription medications being taken
- Complete the application per the instructions
- Answer all health questions accurately and provide detailed information for each numbered condition marked with a “yes” response for each person listed on the application. Applicable Condition History Forms (CHF) may need to be completed.
- Provide blood pressure readings and cholesterol levels when high blood pressure or high cholesterol is present.
- Provide additional medical information when requested, such as an Attending Physicians Statement (APS) or Condition History Form (CHF)
- Read the Agreement and Certification section prior to signing the application
- Failure to provide complete information may result in a Failure To Disclose situation (explained later in this brochure)

REMINDER: APPLICATIONS ARE UNDERWRITTEN UP TO THE APPLICATION EFFECTIVE DATE. Therefore, applicants are required to immediately report to Wellmark any changes in health, medications, lab/ test results or symptoms occurring after the signature date and prior to the requested effective date for each person listed on the application.

3 | SUBMIT APPLICATION FOR REVIEW

Underwriting is the process by which the health status of the applicant/dependent(s) is evaluated to determine whether to offer coverage, under what conditions to offer coverage, and the premium rate.

Individual Underwriting uses the following information to determine the health status of each member on the application.

- Medical information provided on the application
- Condition History Form (CHF) submitted
- Claims history (Wellmark has extensive claims information and reviews previous claims history, if available)
- Medical records obtained through a variety of sources such as previous applications submitted and/or amendments signed
- Attending Physician Statement (APS) – if provided
- Information obtained from a telephone interview or a quick call with the applicant. Because of federal privacy regulations, it may be necessary for the Underwriter to speak directly to the specific family member.

Upon review and assessment of the medical information, the rates for each member are based on the following factors:

- Age
- Gender
- Tobacco use
- Health risk (based on health conditions)
- Product selection (includes optional benefits)

4 | RECEIVE AN OFFER

Once Individual Underwriting has completed the rating process, one of the following or a combination of the following decisions will be made regarding each application:

QUOTED RATE OR BETTER

Offer letter sent? Yes No

If rates are the same or lower than what was quoted for all applicants on the contract and no amendments are issued, then no Offer Letter will be sent and the applicants are automatically enrolled in the plan indicated on the application, and identification cards are generated.

ADJUSTED RATE/RATE-UP

Offer letter sent? Yes No

A rate-up is an increase in premium based on the history of specific conditions or a combination of conditions. If a rate-up occurs for anyone on the application, an Offer Letter will be sent.

AMENDMENT/RIDER

Offer letter sent? Yes No

An amendment/rider is the policy provision which excludes benefits for health conditions that exist or which are related to a condition that existed before the policy/certificate was effective. If any individual on the application is issued an amendment/rider, an Offer Letter will be sent along with the amendments/riders.

Things to remember:

- The Offer Letter will include two copies of any required amendment(s). One copy must be signed and returned with the Offer Letter. If an amendment is required, an Offer Letter cannot be accepted without the signed amendment.
- If the applicant accepts the amendment, treatment for the condition (and corresponding ICD9 codes) listed on the amendment will not be covered.
- Once an amendment is signed and returned by the applicant, the amendment is permanent and cannot be removed unless otherwise stated on the amendment/rider.
- Previous qualifying coverage or creditable coverage does not exempt the applicant from amendments/riders.

DECLINATION

Offer letter sent? Yes No

Some rating decisions may result in a declination of coverage to an applicant. If any individual listed on the application has been declined, a policy will not be issued, and benefits will not be provided for that individual.

Things to remember:

- If all applicants on the application are declined, a declination letter will be generated. If one or more applicants are accepted, then an Offer Letter will be generated, and those declined for coverage will be noted as such on the Offer Letter.
- Co-Morbidity – Wellmark may decline coverage for one condition or multiple conditions. Sometimes when two or more conditions occur together, the risk is more significant than the sum of the conditions (e.g., hypertension, weight, diabetes, cholesterol, or joint problems).

5 | ACCEPT COVERAGE

Upon receiving an Offer Letter, the applicant should review all information received. All Offer Letters are sent to the applicant in duplicate so that the applicant may sign one copy, return it to Wellmark, and keep the other copy for his/her records.

Things to remember when returning an Offer Letter/Amendment(s):

- The Offer Letter/Amendment(s) must be signed and returned prior to the expiration date, which is 14 days from the Offer Letter print date. There are no grace periods.
- If Wellmark does not receive the signed Offer Letter/Amendment(s) prior to the expiration date, a new application must be submitted and the underwriting process will start over based on Wellmark guidelines, policies, and procedures in effect at the time the new application is underwritten.
- Offer Letter and Amendment(s) are not separable.
- Applicant may not submit a signed Offer Letter while contesting an Offer.

To return a signed Offer Letter/Amendment(s), please fax it directly to Wellmark's Membership and Enrollment Department at:

Attention: M&E – Offer/Amendment
515-248-5309

FAILURE TO DISCLOSE (FTD)

When coverage is offered and accepted, Individual Underwriting monitors all claims from the effective date of coverage to determine if medical conditions were properly disclosed on the application. In reviewing claims information, if it is determined a failure to disclose of a previously known situation has occurred, one of the following or a combination of the following actions will be applied retroactively to the effective date of the application:

- A rate-up is applied
- An amendment(s)/rider(s) is added
- Denial of claims
- Cancellation of policies/certificates retroactive to the effective date of the contract

If the applicant accepts the new Offer/Amendment(s), the policy/certificate will be amended as of the original effective date and any additional premium and claims will be adjusted accordingly.

If the applicant refuses the revised Offer/Amendment(s), the coverage will be terminated as of the original effective date and all premiums (less claims paid) will be refunded accordingly. All policies/certificates terminated for FTD are not eligible for re-enrollment for a five year period.



An Independent Licensee of the Blue Cross and Blue Shield Association