



August 20, 2009

Blue Transitions product portfolio is designed to recognize the loyalty of Wellmark Blue Cross and Blue Shield of Iowa members. When members lose their Wellmark group coverage and are not eligible for any other group coverage, these plans provide an insurance option with no medical underwriting as long as they meet certain eligibility requirements.

Eligibility Requirements

Members are eligible for this product if they:

- Are a resident of Iowa
- Are under 65 years of age
- Are not eligible for Medicare
- Are not currently enrolled in or eligible for any group health coverage
- Had a combination of continuous Wellmark Blue Cross and Blue Shield of Iowa or Wellmark Health Plan of Iowa individual or group health plan coverage for at least two consecutive years immediately preceding their application for coverage with the most recent coverage being Wellmark group health plan coverage
- Apply for coverage within 60 days following termination of their Wellmark group health plan coverage or their group health plan for which Wellmark provides administrative services

REMEMBER:

- Wellmark coverage that qualifies for continuous coverage includes:
 - ~ Group coverage (including WHPI)
 - ~ COBRA
 - ~ State Continuation coverage
 - ~ FEP
 - ~ FAI (cannot be coverage immediately prior to effective date)
 - ~ U-65 Individual coverage (cannot be coverage immediately prior to effective date)
 - ~ STMM (cannot be coverage immediately prior to effective date)
 - ~ *Hawk-I* (cannot be coverage immediately prior to effective date)
- “Apply for coverage” is determined by signature date

Blue Transitions Plan Options

Alliance Select Transitions 1500

Mirrors the Alliance Select Comprehensive plans in the Individual market with the following differences:

- Coinsurance is 20% in-network / 40% out-of-network instead of 10% in-network / 30% out-of-network
- ER is subject to deductible and coinsurance
- Contraceptives are included

Alliance Select Transitions 2500

Mirrors the Alliance Select Enhanced plans in the Individual market with the following differences:

- ER is subject to deductible and coinsurance
- Contraceptives are included

Alliance Select Transitions 5400 (HSA compatible)

Mirrors the Blue Priority HSA compatible 0% coinsurance plans in the Individual market with the following differences:

- Contraceptives are included
- Drug card applies – Blue Rx Preferred

Information contained in the Blue Transitions Outline of Coverage supersedes information provided on this tip sheet.

Effective Dates

Blue Transitions is intended to coordinate with the group termination date. Wellmark will verify the group termination date, and if it looks as if an applicant is currently enrolled in a Wellmark group health plan, a verification letter will be sent to the applicant. The applicant will need to have the Employer Group Administrator complete the form and fax it to Wellmark within 14 days.

If the group termination date is provided, and applicant meets eligibility criteria:

- Blue Transitions is effective the day after the group coverage is terminated.
- To ensure there is no lapse in coverage, it is important to fill out the group termination date on the application to help Wellmark coordinate coverage.
- If the group termination date is known by Wellmark prior to enrollment, Wellmark will coordinate the effective date.

Submitting Applications

To ensure that your customer meets the 60-day deadline for Blue Transitions, please submit a paper version of the Application for Individual Health (N-53254), which now includes the application for Blue Transitions.

If you submit a paper version of the individual health application, and apply for both medically underwritten coverage and Blue Transitions coverage:

- Please complete the appropriate sections as specified on the application.
- Application must be received by Wellmark within 15 days of the signature date.
- U-65 application for medically underwritten coverage will go through the normal underwriting process.
- Offer letter, along with a Blue Transitions form will be sent to the member.
- Customer will look at outcome of underwriting and make the determination as to who, if any, will move to Blue Transitions or stay on the U-65 policy. Please remember that the primary applicant on the Blue Transitions application must meet the 2 years of continuous Wellmark coverage eligibility requirement.
- Customer will need to mail or fax the Offer Letter back to Wellmark by the offer expiration date indicated on the letter. If customer does not respond by the offer expiration date indicated then all those listed on the application will be automatically enrolled in Blue Transitions if, upon verification, they meet the eligibility requirements.

If applicant applies for Blue Transitions coverage only:

- Eligibility qualifications will be checked and application will be processed, and all those listed on the application will be enrolled if eligibility requirements are met.

If applicant applies only for medically underwritten coverage:

- Application will go through the normal underwriting process.
- If rates are higher than the standard rate, an offer letter will be sent to the applicant.
- Applicant will need to follow the normal procedures to accept the offer by the expiration date indicated on the letter, or submit a Blue Transitions application before the 60 days following their group termination requirement expires. **REMEMBER:** The applicant only has 60 days from the group termination date to sign the Blue Transitions application so follow-up with customers is key.

Cancellation of a Blue Transitions Policy

- If the Blue Transitions policyholder is leaving due to a qualifying event, the remaining members may stay on the Blue Transitions policy. The member will need to submit a contract change form indicating the change. If the contract was a single contract, Wellmark requires written notice to cancel the Blue Transitions policy. (The cancellation must be received by Wellmark prior to the first of the month of the requested cancellation date.)
- If the Blue Transitions policyholder is leaving due to any reason other than a qualifying event, the entire Blue Transitions contract cancels.

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Other Helpful Reminders

- Several optional benefits are not available with the Blue Transitions product. These include Dental, Life, Supplemental Accident, and the HSA Maternity Benefit.
- Contraceptive coverage is included in all plan designs.
- The rate booklet contains member level, age-rated rates. The monthly service fee of \$9.25 is applied at a contract level.
- Split contracts WILL be allowed between Pool V and Blue Transitions.
- Any child less than 2 years of age, and enrolled in Blue Transitions, must be enrolled with a policyholder that has met the two-year criteria – children under the age of two do not qualify as the applicant.
- Once enrolled in Blue Transitions, contract benefits can be downgraded but cannot be upgraded.
- Standard membership rules apply for qualifying events.

(Please refer to the Blue Transitions outline of coverage for specific details)

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