

August 18, 2010



Phone: 248.355.9600
WWW.JSCLARKAGENCY.COM

Clarifying BCBSM Member Maintenance Changes

Beginning in July, Blue Cross Blue Shield of Michigan began implementing new processing guidelines for handling membership changes. Their focus is to more effectively manage the number of days that a contract or member can be retroactively added, deleted or reinstated¹ and when contract benefits can be changed retroactively. For most clients, retroactive limits will be consistent with those you are already accustomed to.

What This Means

Going forward, because of BCBSM's renewed commitment to enforcing their "exception" policy, you can expect the number of exceptions by BCBSM Underwriters to be minimal to none. This applies to all member maintenance changes – whether manually or electronically processed.

BCBSM Guidelines for Membership Changes (effective July 1, 2010)	
Type of group	Change in process
Community-rated groups & Experience-rated groups with 50-99 contracts	<ul style="list-style-type: none"> • Retroactive additions, reinstatements and contract benefit changes are limited to 60 days. • Retroactive deletions are limited to 30 days. • Additions and reinstatements must be reported within 60 days of a qualifying event.
Experience-rated groups with 100 or more contracts	<ul style="list-style-type: none"> • Retroactive additions, reinstatements and contract benefit changes are limited to 60 days. • Retroactive deletions are limited to 60 days. • Additions and reinstatements must be reported within 60 days of a qualifying event.
Self-funded (ASC) groups with Blue Cross stop-loss coverage	<ul style="list-style-type: none"> • Retroactive additions and deletions, reinstatements and contract benefit changes are limited to 60 days.
Self-funded (ASC) groups without Blue Cross stop-loss coverage	<ul style="list-style-type: none"> • Retroactive additions and deletions, reinstatements and contract benefit changes are limited to 365 days.

¹ BCBSM does not recover claim dollars associated with retroactively deleted contracts or members.

Employees with your group coverage are no longer eligible for health care benefits once their employment is terminated, unless they are eligible for and elect COBRA. In the latter case, standard COBRA retroactive limits apply. The state of Michigan requires group health plans to notify each employee or dependent that loses eligibility of their rights to conversion (if applicable) within 30 days of loss of coverage as well as COBRA rights.

A member must submit an application for group conversion on or before the 60th day following loss of coverage in order to be eligible for group conversion. A member who applies after 60 days will not be eligible for group conversion. A member who applies for individual coverage with a lapse in coverage greater than 62 days will be subject to the pre-existing condition exclusion.

Questions

If you have any questions regarding this release, please contact Russ Kotila at **248.996.1845** or email russ@jsclarkagency.com.

This Communication Release is published for the clients and friends of J.S. Clark Agency, Inc. Information contained herein is not to be considered as legal advice. This Client Bulletin may be construed as an advertisement or solicitation. ©2010 J.S. Clark Agency, Inc. All Rights Reserved.

25900 W. Eleven Mile Road, Suite 210 • Southfield • Michigan • 48034-8203

PHONE 248.355.9600 • FAX 248.355.3145

www.jsclarkagency.com