



Beginning July 1, 2009 Blue Shield's policy on the use of wrap plans for Small Groups will change

In today's competitive environment, Blue Shield recognizes that you, the valued broker, need creative solutions to meet your clients' desire to decrease costs by using high-deductible health plans with wrap plans. To meet this demand, beginning July 1, 2009 Blue Shield **will allow these three plans** to be used with any wrap plan:

- Shield Savings 1800/3600
- Shield Savings 2250/4500
- Shield Spectrum PPO Plan 3000

Now your clients have three plans available to use with wrap plans, to help pay for Employees' out-of-pocket healthcare expenses.

Please keep in mind, these three plans are the only Blue Shield small group health plans that can be paired with any of the following wrap or self-funded plans and products:

Any employer-sponsored plan or product, which is paid for or funded in whole or in part by the employer, employee or both, and that provides reimbursement for health plan deductibles, copayments, coinsurance, or medical expenses, or provides for the payment of set amounts in the event of hospitalization.

Examples include an employer-funded Flexible Spending Account (FSA), a Health Reimbursement Account (HRA), self-funding of the deductible, an IRS Section 105 plan, a medical expense reimbursement plan (MERP) or a hospital confinement policy.

A wrap plan, as defined by Blue Shield's policy, does not include a health savings

account (HSA) or employer-funded general purpose flexible spending account (FSA).

Underwriting participation criteria for all other Blue Shield health plans prohibit any pairing with a wrap plan at any time. The Shield Savings 2250/4500, Shield Savings 1800/3600 or the Shield Spectrum PPO Plan 3000 **are the only plans that are appropriately priced to reflect the additional underwriting risk** resulting from increased utilization that arises from any self-funding, or wrap plan arrangements. All other plans in Blue Shield's small group portfolio, including all other high-deductible health plans, are therefore not eligible for any type of wrap plan arrangement.

Verification & Statement of Understanding form must be completed upon submission of your NEW group case

Please contact your **RBG** representative or our office for additional information or if we may be of service in any way.
