

SMALL GROUP PLANS

Deductible and Stop-loss/Out-of-Pocket Carryover

Overview

The purpose of this document is to explain how to apply **deductible** and **stop-loss/out-of-pocket** (OOP) credits when a member changes Small Group plans within the same calendar year. It also provides updated guidelines addressing both aggregate and non-aggregate plan transfer credits.

- **Aggregate** plans combine medical and pharmacy expenses in the deductible bucket. Deductibles also become part of the out-of-pocket bucket.
- **Non-aggregate** plans, on the other hand, do not combine medical expenses with pharmacy.

Prior Deductible Credit for Existing Anthem Blue Cross Small Groups

The following guidelines refer to changes of coverage for existing group members:

- **If a group member has either a group number and/or contract code change**, the member is entitled to medical deductible, stop-loss and OOP credit, as long as the member remains employed by the same employer.
- Unless otherwise stated in the contract, **if there is a lapse in a member's group eligibility** (while the group remains active), and the member is reinstated during the same calendar year, a new deductible, stop-loss and OOP **will not be required**. Any amounts previously applied will be credited.
- **If a member changes employers**, and both employers are insured by Anthem Blue Cross, the deductible, stop-loss and OOP amounts are **not applied** to the new coverage even if the contract code remains the same.

Contract Change Within the Same Employer Group (No Change in Employer)

From a Non-Aggregate to Another Non-Aggregate Plan

- Apply transfer credits for medical deductible and stop-loss/out-of-pocket.
- Brand-name pharmacy deductible credits can be applied to another brand-name pharmacy deductible, if any, under the new plan. However, the brand-name pharmacy deductible amount accumulated under the previous plan cannot be applied towards the medical deductible under the new plan.

From a Non-Aggregate to an Aggregate Plan

- Apply transfer credits for medical deductible and out-of-pocket.
- Under the aggregate plans, amounts applied to the annual deductible will also apply to the out-of-pocket. Because of this feature, if the out-of-pocket transfer credits from the previous plan will already satisfy the maximum out-of-pocket limit under the new plan, then it will be deemed as if the deductible under the new plan has likewise been satisfied.

EXAMPLE: For a **Single Party \$40 Co-Pay plan** with an accumulated \$500 deductible and \$4500 out-of-pocket maximum transferring to an **aggregate** plan with a \$2400 deductible and a \$3600 out-of-pocket maximum, the OOP transfer credit of \$4500 from the prior plan is more than enough to satisfy the \$3600 OOP limit on the new plan. In this case, there is no need to satisfy any remaining portion of the \$2400 deductible under the new plan. Credit transfer is not available for brand-name pharmacy deductible amounts.

From an **Aggregate to Another Aggregate Plan**

- Apply transfer credits for the combined medical/pharmacy deductible and out-of-pocket from the old plan to the new plan.
- Under the aggregate plans, amounts applied to the annual deductible will also apply to the out-of-pocket. Because of this feature, if the out-of-pocket transfer credits from the old plan will already satisfy the maximum out-of-pocket limit under the new plan, then it will be deemed as if the deductible under the new plan has likewise been satisfied.

From an **Aggregate to a Non-Aggregate Plan**

- Apply transfer credits for medical deductible and out-of-pocket only.
- No transfer credits are available for pharmacy deductible amounts.

For New Small Group Submissions

“Take-Over” Group from Another Carrier or New Group Business

If a group transfers its membership from another carrier to Anthem Blue Cross, it is up to Anthem Blue Cross Underwriting and the group to decide whether the deductible, stop-loss and/or out-of-pocket information will be transferred. Anthem Blue Cross Underwriting guidelines for take-over groups or new group business is as follows:

Credit for prior deductibles met under the prior group medical or prior group dental coverage will be given, provided proof of the actual dollar amount is submitted with the first claim.

- 1) Credit for deductible met under Anthem Blue Cross Individual will be given
- 2) Credit for pharmacy deductibles not available
- 3) Credit for stop-loss or OOP not available

Note: The guidelines above apply to **non-aggregate co-pay plans** such as the \$10, \$20, \$25 \$30, \$35, \$40, \$45 Co-Pay plans as well as to other non-aggregate plans such as the Saver PPO, Basic Hospital, BeneFits and Power Health Fund Plans.

For **aggregate plans** such as the EPO, HSA and CDHP Lumenos plans, however, credit for the combined medical and pharmacy deductibles will be given. In addition, since the deductible is part of the out-of-pocket on an aggregate plan, credit for out-of-pocket will be given.

The following charts provide examples of how deductible and stop-loss/out-of-pocket credits are applied. If you still have questions, please feel free to contact your Regional Sales Manager or call Agent Sales Support at 800-678-4466.

**Plan Transfer Credits for Existing Anthem Blue Cross Small Groups
with No Employer Change**

Plan transfers within current Small Group plans

Current Plan/Contract	Change to this Plan/Contract	Deductible Carryover	Stoploss/OOP Carryover	Pharmacy Carryover
PowerHealth Fund \$500 deductible \$5000 OOP \$250 Brand-name Pharmacy deductible (all met, non-aggregate)	\$40 Copay Plan \$500 deductible \$4500 OOP (non-aggregate)	Yes	Yes	Yes – Any plan that has a brand-name pharmacy deductible
\$20 Copay Plan \$250 deductible \$3000 OOP (both met, non-aggregate)	\$40 Copay Plan \$500 deductible \$4500 OOP (non-aggregate)	Yes Member is responsible for an additional \$250 deductible	Yes Member is responsible for \$1500; this amount already includes the \$250 additional deductible that the member must meet after the transfer	No
EPO – Family \$4000 deductible \$5700 OOP (both met, aggregate)	HSA – Family \$4800 deductible \$5500 OOP (aggregate)	Yes Member's deductible met	Yes Member's OOP met	Yes
\$40 Copay Plan – Single \$500 deductible \$4500 OOP (both met, non-aggregate) Brand-name deductible (any amount)	HSA – Single \$2400 deductible \$3600 OOP (aggregate)	Yes Member's deductible/OOP met	Yes Member's deductible/OOP met	No
\$40 Copay Plan – Family MC10 met \$500 deductible and \$4500 OOP & MC 40 has 0 claims. (non-aggregate) Brand-name deductible (any amount)	HSA – Family \$4800 deductible \$5500 OOP (aggregate)	Yes Member is responsible for an additional \$300 deductible	Yes Member is responsible for \$1000 OOP, which already includes the additional \$300 deductible	No
HSA – Single \$2400 deductible \$3600 OOP (both met, aggregate)	\$40 Copay Plan – Single \$500 deductible \$4500 OOP (non-aggregate) Brand-name deductible	Yes Member's deductible met	Yes Member is responsible for \$900 in order to satisfy the entire OOP	No

**Plan Transfer Credits for Existing Anthem Blue Cross Small Groups
with No Employer Change**

**Plan transfers from the current Small Group plans to the CDHP Lumenos
Small Group Products launched on 05/01/07**

Current Plan/Contract	Change to New CDHP Contract (HSA,HIA+)	Deductible Carryover	Stoploss/OOP Carryover	Pharmacy Carryover
HSA – Single \$2400 deductible \$3600 OOP Par and Non-Par combined (aggregate)	CDHP HSA – \$3000 Deductible – Single \$3000 Par OOP \$6000 Non-Par OOP (aggregate) <i>Note: The member has one deductible for Par and Non-Par providers. The full deductible is included in both the member's Par and Non-Par OOP.</i>	Yes Member has technically met the deductible on the new plan with the \$3000 transfer from the previous plan	Yes Only the Par OOP is met; Non-Par OOP still to be satisfied is \$2400	Yes (the medical deductible includes pharmacy claims)
\$20 Copay Plan \$250 deductible \$3000 OOP (both met, non-aggregate)	CDHP HSA – \$3000 Deductible – Single \$3000 par OOP \$6000 Non-Par OOP (aggregate) <i>Note: The member has one deductible for Par and Non-Par providers. The full deductible is included in both the member's Par and Non-Par OOP.</i>	Yes Member has met the deductible on the new plan with the \$3000 transfer	Yes Only the Par OOP is met; Non-Par OOP still to be satisfied is \$3000	No
EPO – Family \$4000 deductible \$5700 OOP (both met, aggregate)	CDHP HIA+ – \$6000 Deductible – Family \$6000 Par OOP \$12,000 Non-Par OOP (aggregate) <i>Note: The member has one deductible for Par and Non-Par providers. The full deductible is included in both the member's Par and Non-Par OOP.</i>	Yes Member must meet an additional \$300 after the transfer; this also feeds to the OOP	Yes Member must meet an additional \$300 after the transfer to satisfy the Par OOP, which will be fully funded by meeting the same \$300 deductible For the Non-par OOP, member must meet an additional \$6300, which will be partially funded by meeting the same \$300 deductible	Yes
HSA – Single \$2400 deductible \$3600 OOP (both met, aggregate)	CDHP HIA+ – \$3000 Deductible – Single \$3000 Par OOP \$6000 Non-Par OOP (aggregate) <i>Note: The member has one deductible for Par and Non-Par providers. The full deductible is included in both the member's Par and Non-Par OOP.</i>	Yes Member has technically met the deductible on the new plan with the \$3000 transfer from the previous plan	Yes Only the Par OOP is met; Non-Par OOP still to be satisfied is \$2400	Yes

New Small Group Submissions: Transfer from Other Carriers to Anthem Blue Cross Plans

New Groups Only – Take-Over Groups

Current Plan/Contract	Change to this Plan/Contract	Deductible Carryover	Stoploss/OOP Carryover	Pharmacy Carryover
Blue Shield HSA (aggregate)	Anthem Blue Cross HSA (aggregate)	Yes	No	Yes
Health Net PPO (non-aggregate)	Anthem Blue Cross (non-aggregate)	Yes	No	No
Health Net HSA (aggregate)	Anthem Blue Cross (non-aggregate)	Yes	No	Yes
Aetna HMO deductible plan (non-aggregate)	Anthem Blue Cross deductible plan (aggregate)	Yes	No	No