

PRODUCER NEWS

Highmark Blue Shield is an Independent Licensee of the Blue Cross and Blue Shield Association.

The Highmark Blue Shield ProducerNews is intended only for the 21-county Highmark Blue Shield service area.

Producer News (09-08B)

September 12, 2008

Updates Regarding Highmark's Senior Products in Central and Northeastern PA for 2009

Dear Highmark Blue Shield Appointed Agency:

Highmark will continue to offer a broad portfolio of Individual and Group health insurance products for Medicare beneficiaries residing in Central and Northeastern Pennsylvania during 2009. Highmark is pleased to announce increased commissions on Medicare Advantage enrollments with an effective date on or after January 1, 2009. This communication provides additional details regarding the opportunity to sell Highmark's Senior Products as well as the certification process for 2009.

Highmark's Commissionable Senior Products

FreedomBlue PPO

FreedomBlue PPO is a Medicare Advantage plan that provides Medicare beneficiaries the freedom to receive care in or out of the largest network of providers in Pennsylvania. This product covers preventive care, doctor visits, hospital stays, surgery, prescription drugs, plus vision and hearing care. FreedomBlue PPO is available to Medicare beneficiaries residing in all 34 Central and Northeastern Pennsylvania counties.

FreedomBlue PFFS

FreedomBlue PFFS is Highmark's newest Medicare Advantage plan. FreedomBlue PFFS offers many of the same benefits as FreedomBlue PPO, but it does not utilize a network of providers. This means that members have access to any doctor, specialist, or hospital in the United States, as long as the provider participates with Original Medicare and accepts FreedomBlue PFFS's terms and conditions of payment. FreedomBlue PFFS is available to Medicare beneficiaries residing in all 34 Central and Northeastern Pennsylvania counties.

BlueRx

BlueRx is a standalone Medicare Prescription Drug Plan (Part D) that covers both generic and brand name drugs, with low copayments and a formulary that covers every drug allowed by Medicare. BlueRx is available to Medicare beneficiaries residing throughout Highmark's Pennsylvania and West Virginia service area.

Commissions

The attached **2009 Senior Products Commission Schedule** details the Individual and Group commissions to be paid on these products. As noted previously, the commissions on the Medicare Advantage products have increased for 2009.

Highmark will not pay commissions on:

- Our Medicare supplement products - MedigapBlue (individual) and Signature 65 (group)
- Existing Highmark members moving from one Highmark Medicare Advantage product/plan to another Highmark Medicare Advantage product/plan

Commissions will be paid on:

- Existing Highmark members moving from an Under-65 Commercial Individual or Group product to BlueRx or one of Highmark's Medicare Advantage plans
- Existing Highmark Medicare supplement (MedigapBlue or Signature 65) and/or BlueRx members moving to one of Highmark's Medicare Advantage plans

Requirements for Producers to Sell Highmark's Medicare Advantage and Medicare Prescription Drug Plans

Individual producers seeking appointments to sell Highmark's Medicare Advantage and Prescription Drug plans must do so through a Preferred or Select Agency with an existing business relationship with Highmark. Highmark will not be contracting directly with individual producers. In addition to the contracting and appointment requirements, which are detailed below, all producers are required to complete an annual training program and certification examination. **It is important that producers complete all of the requirements prior to the start of the Medicare annual enrollment period, which begins November 15, 2008!**

Contracting Requirements

Current Highmark Senior Products Producers – Producers that are currently contracted/appointed to sell Highmark's Senior Products do not need to complete any additional contract or appointment documentation to sell the products in 2009. (They will need to complete the 2009 certification training and testing discussed below.)

Current Highmark Commercial Producers – Producers that are currently contracted/appointed through a Highmark Preferred Agency to sell Highmark's Commercial Group and/or Individual products, but not contracted/appointed to sell Highmark's Senior Products, will need to complete the Highmark Inc. and Highmark Senior Resources Senior Products Producer Agreements. Individual producers should contact a Highmark Preferred Agency for more details regarding this process.

New Highmark Producers – Producers who are not currently contracted/appointed through a Highmark Preferred Agency to sell Highmark’s Commercial Group and/or Individual products will need to complete Highmark’s standard Commercial contracting (and appointment) process **and** complete the Senior Products agreements referenced above. Individual producers should contact a Highmark Preferred Agency for more details regarding this process.

Appointment Requirements

In addition to the contracting requirement detailed above, producers will need to complete Senior Products appointment documentation for Highmark Inc. and Highmark Senior Resources (HSR) to sell FreedomBlue (PPO & PFFS) and BlueRx, respectively. The ***appointment documentation*** is attached.

Senior Products contracts and appointment documentation may be submitted via mail or fax.

Mail:

**Highmark Inc. Senior Products
Producer Affairs
Fifth Avenue Place
120 Fifth Avenue, Suite P5501
Pittsburgh, PA 15222**

Fax:

**412-544-1008
ATTN: SENIOR PRODUCTS PRODUCER AFFAIRS**

Certification Requirements

All producers must complete training and testing to be certified prior to selling Highmark’s Senior Products.

Training

Highmark offers producers two options to complete training: (1) web-based training or (2) seminar training.

- ***Senior Products Web-Based Producer Training Program*** – Highmark will provide a Web-based Producer Training Program consisting of three 1-hour modules:
 - ***Module 1*** includes general health plan education, describing Highmark’s Medicare health plan options, benefits and features and other pertinent information.

- **Module 2** includes general Medicare information and issues relating to Parts A, B, C and D regulations.
- **Module 3** includes general Medicare requirements regarding enrollment periods, marketing guidelines, ethics and provider marketing.

It is recommended that you complete this training and the certification exam (discussed below) by October 31, 2008, so that the certification is completed in advance of the annual enrollment period, which begins November 15, 2008.

The Web-based training is scheduled to be available mid-September, at the following Web address:

www.brainshark.com/gormanhealth/signup.aspx?c=236150&g=30587

You will be able to check the availability of the Web-based training and access the training on Highmark's Producer Portal.

- **Senior Products Producer Training Seminars** – For those who prefer face-to-face training in a seminar format, Highmark will also be conducting a series of seminars throughout Central and Northeastern Pennsylvania to fulfill your training requirement. The seminars will cover the same content as the Web-based program. The schedule below details the dates, times and locations of the training seminars. Note that reservations are required and must be confirmed by the dates indicated on the schedule. Call today to reserve your place.

Reservation Hotline: 1-800-873-8544

Date	Time	Location	Deadline for Reservations
9/29/2008	8:00 AM – 12:00 PM	Hampton Inn Lehighton 877 Interchange Road Lehighton, PA 18235	9/23/2008
9/30/2008	8:00 AM – 12:00 PM	Holiday Inn Express Wilkes-Barre/ Scranton (Airport) 30 Concorde Drive Pittston, PA 18641	9/24/2008
10/01/2008	8:00 AM – 12:00 PM	Atherton Hotel 125 South Atherton Street State College, PA 16801	9/25/2008
10/01/2008	8:00 AM – 12:00 PM	Harrisburg Area Community College 1 HACC Drive Harrisburg, PA 17110	9/25/2008
10/02/2008	8:00 PM – 12:00 PM	Best Western Eden Resort 222 Eden Road Lancaster, PA 17601	9/26/2008
10/03/2008	8:00 AM – 12:00 PM	Four Points by Sheraton York 1650 Toronita Street York, PA 17402	9/26/2008

Testing

Upon completion of the Web-based or seminar training, producers will be required to pass a Web-based certification examination. Producers will receive detailed instructions regarding the Web-based certification examination when they access the Web-based training or attend a seminar.

Sincerely,

A handwritten signature in black ink, appearing to read "Timothy W. Lightner". The signature is fluid and cursive, with the first name being the most prominent.

Timothy W. Lightner
Director, Senior Products Sales

Attachments