

Developing a New Product -- Mandate Lite

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What is Mandate Lite?

- a. House Bill 2698
- b. Passed during the 2006 legislative session
- c. Effective September 21, 2006
- d. Allows insurance carriers to offer benefit plans to groups of 2-25 employees, that have not had health insurance in the last 6 months, coverage that does not include certain mandated benefits
- e. Purpose is to offer a viable product to the currently uninsured.

Mandate Lite Team

Project Sponsor – VP, Marketing
Project Manager - Nancy Hubler

Team Members

Medical Services
Product Development
Legal
Underwriting
Sales
Employee Development
Advertising
Data Management
Claims & Customer Service
Provider Network Management
Research

What steps have been taken so far?

- a. Review of law
 1. A policy, subscription contract, contract, plan or evidence of coverage issued to a small business by a health care insurer is not subject to the requirement of any of the following:
 - i. Section 20-461, Subsection A, Paragraph 17 and subsection B
 - ii. Section 20-826, Subsection C, Paragraph 1

What steps have been taken so far?

- a. Review of law
 - 2. Examples
 - ii. If any subscription contract of a hospital and medical service corporation is written to provide coverage for psychiatric, drug abuse or alcoholism services, reimbursement for such services shall be made in accordance with the terms of the contract without regard to whether the covered services are rendered in a psychiatric special hospital or general hospital.

What steps have been taken so far?

- a. Review of law
 - ii. If a subscription contract ...provides for or offers reimbursement for any service which is within the lawful scope of the practice of a chiropractor holding a certificate or license issued by the state in which the services are rendered, a subscriber covered under such contract may select either a physician or duly certified or licensed chiropractor to provide the examination, care or treatment for which the subscriber is eligible and which falls within the scope of practice of the chiropractor or physician.

What steps have been taken so far?

- b. Review of Health Care Group's benefits and exclusions.
 - 1. A small group insurance plan administered by AHCCCS (Medicaid)
 - 2. Coverage excludes some mandated benefits
 - 3. Low broker compensation
 - 4. Low administrative expenses

What steps have been taken so far?

- c. Review of BCBSAZ standard benefits
 - 1. Reviewed standard small group benefits
 - 2. Reviewed standard exclusions

What steps have been taken so far?

- d. Developed draft benefits and rates
 - 1. Keep benefits as simple as possible
 - 2. Develop a target PEPM
 - 3. Design an appealing product

What steps have been taken so far?

- e. Focus groups with employers and brokers
 - 1. Small business owners
 - i. Developed recruiting questions
 - ii. Developed questions to be asked at Focus Group sessions
 - iii. Conducted 2 sessions with 10-12 small business owners
 - iv. Shared sample benefit designs and premium rate ranges

What steps have been taken so far?

- e. Focus groups with employers and brokers
 - 2. Brokers
 - i. Used regular meeting with broker group as forum for discussion
 - ii. Shared sample benefit designs and premium rate ranges

What steps have been taken so far?

- f. Other
 - 1. Developed Underwriting Guidelines
 - 2. Revised rating engine
 - 3. Selected product name
 - i. Search for conflicts
 - ii. Approval from Association

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1. File benefit books and marketing material
2. Code benefits
3. Prepare announcements for:
 - i. Brokers
 - ii. Providers
 - iii. Legislators
4. Prepare training material
 - i. Claims and Customer Services
 - ii. Medical Services
 - iii. Provider Relations

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Questions?