



Regence BlueCross BlueShield of Utah is an Independent Licensee of the Blue Cross and Blue Shield Association

MEMBER FREQUENTLY ASKED QUESTIONS (FAQ)

1. What is the reason for the rate increase? Rising claim costs – not administrative expenses – drive premiums and cause rates to increase. Premium costs are driven primarily by the use of medical services, new medical technology, the cost of prescription medications, an increase in chronic disease and the aging of the population. Regence strives to keep administrative expenses at a minimum.

2. Do all members receive a rate increase? All members on a Regence Individual plan will get a rate adjustment effective July 1, 2009.

3. Did everyone on my plan receive the same increase? No. Your rate depends upon the Individual plan you have chosen, your deductible choice, your age, gender, the number of dependents you are covering on your plan and your health status.

4. How did Regence determine the amount of the rate change?

- i. Individual Plan members are grouped together as a whole (also called a pool) for the purpose of determining rates. Regence analyzes this pool each year to determine the appropriate premium to charge given that pool's past use of medical treatment, their ages, their future projected costs for medical treatment, the plans they have chosen, etc.
- ii. In addition to any pool adjustments (increase or decrease), an individual's premium is a result of the plan chosen, age, gender and health status.
- iii. Premium increases are also a reflection of the rising cost of medical treatment.

5. How does Regence determine rates based on health conditions/claims history? In addition to pool adjustments and rising health care costs, a member's rate/premium is determined by their health status. Regence reviews bills submitted by physicians and other health care providers to derive information about a member's medical condition(s). Regence gets that information from the diagnosis and treatment codes provided on the bills. From that information, Regence is able to determine a member's health status and adjust the rate in accordance with their potential use of medical care/services in the future. To find out more about costs that affect insurance rates, please visit www.whatstherealcost.org.

6. How do rates change over time? In 2007, Individual Plan members as a whole increased their use of medical services resulting in a rate increase for 2008. The same happened in 2008, resulting in a rate increase for 2009.

7. Why did I receive an increase when I'm healthy and rarely see the doctor? Individual Plan members are grouped together as a whole (also called a pool) for the purpose of determining rates. Regence analyzes the group based on the entire group's medical conditions, their past use of medical treatment, their ages, gender, their future expected costs for medical care, health status and the medical plans chosen.

8. When will rates change again? Currently, we evaluate and make rate adjustments to the Individual Plans one time per year, however there are other times where rates can change (i.e. birthdays that move you to a higher age category, adding or dropping dependents, plan changes etc.).

9. Will I receive another rate increase when I move into a new age category? (For example: turning 20/25/30/35/40/45/50/55/60+ before next year's rate renewal) Yes, as members grow older, their costs for care increase. If you move into a higher age category, your rate will change at your birthday and possibly also at next year's annual renewal. Your next statement after the age-category change will reflect your age-band increase.

10. What is Regence doing to help manage medical costs? We are committed to providing value to our members by delivering innovative programs while holding down costs. While many health care companies outsource programs that provide critical support to people with chronic or catastrophic illnesses, we have leveraged our expertise to provide the following programs in-house.

- i. **Disease management** provides personalized support for members with Diabetes, Asthma, Chronic Obstructive Pulmonary Disorder (COPD), Congestive Heart Failure (CHF), and Coronary Artery Disease (CAD).
- ii. **Case management** is available for members facing serious illnesses or injuries. This program provides educational material, support, guidance and a personalized advocate to help navigate the health care system.
- iii. **Utilization management** uses evidence-based policies to authorize services and supplies, monitor inpatient admissions and includes claims review.
- iv. **Special Beginnings** is a program designed to support expectant mothers-to-be.
- v. **myRegence.com** is your online source for health information, hospital cost and quality comparisons, message boards, claims history, and rewards.

11. We just enrolled on our Individual Plan a few months ago. Does the rate increase really apply to us? Yes. While you may not have needed medical services since you enrolled, you may this next year. The benefit of being a part of a group (pool) means that when you need care, it will be available.

12. Why wasn't I notified a rate increase was coming when I enrolled? New rates are communicated to our members 30 days prior to their renewal date. In addition, rates fluctuate from year to year and can go down. At the time you enrolled, this year's rate adjustment had not been determined.

If you have any additional questions, please contact your agent or our Customer Service team at 1 (800) 624-6519 from 6 a.m. to 6 p.m. Mountain Time, Monday through Friday.