



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

January 1, 2011 brings new delinquency policy

Effective January 1, 2011, we're modifying our delinquency process for groups on (Regence Inno[®], Regence EngageSM, Regence ActivateSM and Regence HSA Healthplan 2.0SM). Our goal is to provide a consistent and more uniform delinquency policy for all groups.

This process will reduce financial risk, bring us in line with other carriers and enable us to better meet regulatory requirements. It will also provide more frequent and timely communications regarding delinquency with your clients. The following outlines the differences between our current process as compared to the new policy.

Current Process:

Prior Month

5th - 10th Bill Sent Prior to Due Date

Current Month

1st Premium Due Date

10th Delinquency Notice

20th Demand Notice

25th Phone Calls Placed to Group

Month Following Due Date

5th - 10th Group Termination

New Process:

Prior Month

5th - 10th Bill Sent Prior to Due Date

Current Month

1st Premium Due Date

7th Billing Reminder Mailed

15th - 20th Phone Calls Placed to Group

20th Delinquent Notice (cc to Agent/Acct Exec)

25th Final Notice of Cancellation (cc to Agent/Acct Exec)

Final Phone Call to Group (25th - 30th)

30th Letter of Termination (cc to Agent/Acct Exec)

You'll notice that the delinquency timeline is 30 days and that our groups will hear from us more often during that 30-day period (including billing reminders, delinquency notices,

cancellation notices, termination letters and phone calls). Your clients will also receive a Payment Process Reminder notice as part of our new process.

The process will also be more visible to you. Both account executives and agents will be copied on the delinquency notices and the cancellation notice (although this part of the process may not be in place by Jan. 1).

Terminated groups will be eligible for reinstatement with our approval, subject to the following general conditions:

- They must request reinstatement within 30 days after termination.
- The group's premium must be paid in full through the most current month prior to the reinstatement being processed.
- No more than two reinstatements will be allowed within a rolling 12-month period.

Thank you for your continued support. We are confident that this new policy will provide a more streamlined and effective process for you and your groups.

If you have any questions, please contact your Regence Account Executive.