



Inter-Plan Programs Financial Policies Compliance

Model Simplified Member Benefit Booklet Contract Disclosure Language (PPO/Traditional)

I. Out-of-Area Services

Empire Blue Cross/Blue Shield has a variety of relationships with other Blue Cross and/or Blue Shield Licensees referred to generally as “Inter-Plan Programs.” Whenever you obtain healthcare services outside of Empire Blue Cross/Blue Shield’s service area, the claims for these services may be processed through one of these Inter-Plan Programs, which include the BlueCard Program and may include negotiated National Account arrangements available between Empire Blue Cross/Blue Shield and other Blue Cross and Blue Shield Licensees.

Typically, when accessing care outside Empire Blue Cross/Blue Shield’s service area, you will obtain care from healthcare providers that have a contractual agreement (i.e., are “participating providers”) with the local Blue Cross and/or Blue Shield Licensee in that other geographic area (“Host Blue”). In some instances, you may obtain care from non-participating healthcare providers. The payment practices in both instances are described below.

A. BlueCard[®] Program

Under the BlueCard[®] Program, when you access covered healthcare services within the geographic area served by a Host Blue, Empire Blue Cross/Blue Shield will remain responsible for fulfilling its contractual obligations. However, the Host Blue is responsible for contracting with and generally handling all interactions with its participating healthcare providers.

Whenever you access covered healthcare services outside Empire Blue Cross/Blue ‘s service area and the claim is processed through the BlueCard Program, the amount you pay for covered healthcare services is calculated based on the lower of:

- The billed covered charges for your covered services; or
- The negotiated price that the Host Blue makes available to Empire Blue Cross/Blue Shield

Often, this “negotiated price” will be a simple discount that reflects an actual price that the Host Blue pays to your healthcare provider. Sometimes, it is an estimated price that takes into account special arrangements with your healthcare provider or provider group that may include types of settlements, incentive payments, and/or other credits or charges. Occasionally, it may be an average price, based on a discount that results in expected average savings for similar types of healthcare providers after taking into account the same types of transactions as with an estimated price.

Estimated pricing and average pricing, going forward, also take into account adjustments to correct for over- or underestimation of modifications of past pricing for the types of transaction modifications noted above. However, such adjustments will not affect the price Empire Blue Cross/Blue Shield use[s] for your claim because they will not be applied retroactively to claims already paid.

Laws in a small number of states may require the Host Blue to add a surcharge to your calculation. If any state laws mandate other liability calculation methods, including a surcharge, we would then calculate your liability for any covered healthcare services according to applicable law.



B. Negotiated (non-BlueCard Program) National Account Arrangements

As an alternative to the BlueCard Program, your claims for covered healthcare services may be processed through a negotiated National Account arrangement with a Host Blue.

The amount you pay for covered healthcare services under this arrangement will be calculated based on the lower of either billed covered charges or negotiated price made available to Empire Blue Cross/Blue Shield by the Host Blue.

C. Non-Participating Healthcare Providers Outside Empire Service Area

Liability Calculation

When covered healthcare services are provided outside of Empire Blue Cross/Blue Shield's service area by non-participating healthcare providers, the amount you pay for such services will generally be based on either the Host Blue's non-participating healthcare provider local payment or the pricing arrangements required by applicable state law. In these situations, you may be liable for the difference between the amount that the non-participating healthcare provider bills and the payment Empire Blue Cross/Blue Shield will make for the Plan/Fund as set forth in this paragraph.

Exceptions

In certain situations, Empire Blue Cross/Blue Shield may use other payment bases, such as billed covered charges, the payment Empire Blue Cross/Blue Shield would make if the healthcare services had been obtained within Empire Blue Cross/Blue Shield's service area, or a special negotiated payment, as permitted under Inter-Plan Programs Policies, to determine the amount Empire Blue Cross/Blue Shield will pay for services rendered by non-participating healthcare providers. In these situations, you may be liable for the difference between the amount that the non-participating healthcare provider bills and the payment Empire Blue Cross/Blue Shield will make for the covered services on behalf of the Plan/Fund as set forth in this paragraph.

Services provided by Empire HealthChoice HMO, Inc. and/or Empire HealthChoice Assurance, Inc., licensees of the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield plans.

34372NYAENEBS 11/12