



News Flash



Direct Payment to PPO Members for Non-Network Provider Services

Blue Cross of California and BC Life & Health Insurance Company (Blue Cross) are changing how they reimburse PPO members for non-emergency health care. Reimbursement for covered services from non-network providers will now be sent directly to the member along with an explanation of benefits.

In the past, Blue Cross paid non-network providers directly for those services that were covered on the member's benefit plan. Now, Blue Cross will send the member a check for all covered services, and the member will pay the non-network provider.

This change does not apply for the following services:

- Emergency care
- Ambulance services
- If Blue Cross approves an authorized referral to a non-network provider

This change is not applicable to Small Group members with coverage through BC Life & Health Insurance Company products. However, it does apply to Individual members with Blue Cross of California or BC Life & Health Insurance Company coverage.

Please note that this new process does not change the member's benefits or the calculation of their benefits.

Exceptions

This change does not apply to the following groups and products:

- Senior
- Specialty
- State Sponsored Programs
- BlueCard
- HMO
- Groups covered through BC Life & Health Insurance Company

Effective Dates

For PPO business as outlined above, the change was effective with claims that were

processed by Blue Cross beginning on June 23, 2007.

- **Individual** -- The language in the member's *Evidence of Coverage (EOC)/Certificate of Insurance (Certificate)* was revised in 2006 to state this change.
- **Small Group (2-50)** – The language in the member's EOC/Certificate was revised to state this change as part of the May 1, 2006, focal renewal.
- **Indian Tribe** –The language in the member's EOC/Certificate was updated August 1, 2006 to include this change.

Employer Communications

We are recommending that employers take a proactive role in communicating with their employees about this change. We've attached a flier with suggestions on topics to discuss with your employees.

Why Is Blue Cross Making This Change?

Non-network providers are not required to limit the amount they charge patients for services. We are hoping that this change will:

- Empower our members to become more informed consumers when choosing a provider for care. Members will become more knowledgeable and financially accountable for the cost associated with non-network providers.
- Discourage members from seeking care at higher-cost non-network providers.
- Encourage non-network providers to join the Blue Cross network.

Refer to these communications for more details:

- [Member Direct Pay Summary and Frequently Asked Questions](#)
- [Employer Flier](#)
- [Individual](#) and [Group](#) Member fliers

If you have additional questions, please call your Regional Sales Manager or contact Agent Support at **800.678.4466**.