



CareFirst Sales Flash

*For Distribution to Brokers/General Producers/Full-Service Producers Only
(Not intended for distribution to Groups and Members)*

Date: September 1, 2017

Market: All

CareFirst Distribution Channel Initiatives

During the May Broker Forum, CareFirst BlueCross BlueShield President and CEO, Chet Burrell, updated the Broker, General Producer and Full-Service Producer communities on key topics that continue to shape our ongoing partnerships in the market, and committed to keeping you informed of relevant updates and enhancements through 2017 and as we prepare for 2018.

Chet's message included a review of the steps that CareFirst is taking to enhance the competitive position of our core medical products, as well as the development and launch of new products, like group life and disability. He also highlighted our enhanced commitment to broker service through new capabilities like the CareFirst Hub, as well as automated underwriting and commission payment systems. Finally, he offered a look toward the future of CareFirst broker service featuring tiered broker support, which will formally launch in 2018 and focus on providing enhanced service based on best-in-class broker performance.

In keeping with these commitments, we want to share a preview of what will be launched through the end of the year.

CareFirst continues to focus on making it easier for partners and customers to work with us, while ensuring competitive compensation for growth and delivery of value-added services. Our focus on this commitment will increasingly be represented by our investment and delivery in three primary areas: **CareFirst Hub**, **Broker Plus Program**, and **Aligned Incentives**.

CareFirst Hub

In 2016, we announced the launch of the CareFirst Hub, a proprietary technology platform that enables distribution channel partners the opportunity to use an end-to-end solution for managing their CareFirst customer base, from setup and enrollment to ID card production and billing. This solution permits CareFirst to extend direct access through an easy and intuitive user experience that offers high-quality service combined with the opportunity to earn additional rewards.

Since the successful launch of the Hub, CareFirst is in the final stages of migrating all general producers to this technology and has begun to expand the user base to direct brokers, while offering full-service producers the ability to use the Hub as part of their solution set.

The Hub offers the ability to more easily:

- Shop and compare up to five plans
- Get instant access to electronic ID cards
- Track employer contributions at different levels (both fixed and percentage of premium at each plan level)
- Offer a plan proposal online, as a PDF or spreadsheet
- Electronically deliver benefit proposals that can be accepted or rejected online
- Upload bulk enrollment via a census file
- Use fewer forms with the combined agency enrollment forms
- Offer paperless invoices via desktop or mobile device
- Establish ACH payments for one-time or recurring payments
- Track and approve pending group registration requests



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As our Hub business increases, our investment in new capabilities continues, with a focus on delivering enhancements that will accommodate a broader range of services.

We are currently expanding our CareFirst Hub offerings to include:

- Active vs. COBRA billing and accounts receivable reconciliation
- Direct remittance of COBRA payments to minimize participant delinquencies and termination
- Bulk member ID card requests with immediate PDF images for all group members
- Real-time eligibility in the CareFirst claim payment system
- Rebilling to allow reconciliation of enrollment for an upcoming invoice
- Moving binder payments after enrollment is complete to ensure first payment is based on actual enrollment

Building on the success of the CareFirst Hub and services offered in 2017, CareFirst will begin to more broadly market these capabilities and expand access to brokers who choose to administer some, or all, of their book of business directly with CareFirst, while continuing to add new features and functions for general producers and full-service producers.

Broker Plus Program

The Broker Plus Program, CareFirst's new tiered broker support, will be launched in 2018 and will deliver an enhanced level of service to qualified brokers. This select group of brokers and consultants will qualify based primarily on the size of their CareFirst book of business and will be placed into one of three tiers: Elite, Premier or Preferred. Qualifying brokers will be notified in 2017 as part of the contracting process.

Through this program, CareFirst will distinguish top performers that continue to grow their CareFirst book of business, recognizing their contributions with a customized high-touch model delivered by a dedicated team who will know and understand their business. This model will allow brokers to resolve issues more quickly and to focus more time on selling and servicing customers. Qualification for the Broker Plus Program will be assessed annually, offering all top performers the opportunity to experience the benefits of achieving Elite, Premier or Preferred status.

Aligned Incentives

As communicated at the Broker Forum, compensation enhancements for 2018 will be directed at increasing rewards for retention and new sales. These enhancements will place more value on net growth across the entire CareFirst product portfolio and offer even greater recognition of top-performers. As part of this approach, we will enhance commission and bonus opportunities across a broad range of group based products, including medical, dental, pharmacy and stop loss, while expanding commissions and bonuses to group life and disability products for 2018 and 2019. In addition, CareFirst was able to secure individual rate filings for 2018 that will enable us to continue current commission and bonus payments for all individual business lines into the next contract year. This decision for 2018 should not be viewed as a long-term position. The ongoing instability of this market remains a significant concern. Accordingly, CareFirst will closely monitor this segment and reevaluate our decision to pay commissions and bonuses each year. Distribution channel partners are encouraged to plan accordingly.

Contracts

To properly support broker and distribution channel partners for 2018, we are updating our partner contracts to make them simple, clear and concise. Through this streamlining we will clarify roles, responsibilities and expectations, while offering incentives to expand business and earn rewards with CareFirst. Given the importance of this effort, additional support will be provided with CareFirst taking direct responsibility for all contract administration, which will include the execution of a new agreement for all participating brokers and distribution channel partners. CareFirst will release contracts in September to ensure appropriate time for review, execution and submission in advance of the February 1, 2018 effective date.

As details are finalized, CareFirst remains committed to keeping our distribution channel partners engaged and informed.