



CareFirst Sales Flash

CareFirst 
Family of health care plans

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

Date: February 1, 2018
Market: All Facets groups

CareFirst Notifies Groups on Facets of Move to Further™, new CDH Vendor

As mentioned in the [January 19, 2018 flash](#), CareFirst BlueCross BlueShield and CareFirst BlueChoice (CareFirst) will be partnering with Further (formerly SelectAccount®) to administer all BlueFund consumer directed health care (CDH) plans and Blue Rewards incentive cards. Effective April 1, 2018, all groups on Facets and all new business will transition to Further. We see this as an investment in the future, and by working with Further, together we will be able to provide one consistent and high-quality experience for all our accounts and members.

To provide accounts with advance notice, CareFirst will be mailing one of these letters based upon their medical product(s) to all Facets groups with a CDH plan the week of January 29, 2018.

Because we anticipate that this notification letter may generate questions, CareFirst will be reaching out to groups and members in the next few weeks to provide them with additional details to help ease concerns. We will also equip you with additional information for fielding any questions or concerns you may receive from groups and members. We encourage you to regularly look for additional Sales Flashes about new materials, training opportunities, and more in the coming weeks. In the meantime, please refer to the attached list of Frequently Asked Questions.

Should you have any questions, please contact your broker sales representative.

Sincerely,



Brian D. Pieninck
Chief Operating Officer

Frequently Asked Questions
CareFirst and Further™ Partnership

Transition

- 1. Will sales work directly with Further or will there be an internal contact/liaison to work through?**
Cindy Otley will be your primary CDH marketing contact. In addition, Further is hiring a Principal Sales Executive to work with key internal teams to drive the direct sales strategy, distribution channel growth, and deliver on sales goals. They are also hiring a Senior Account Executive who will be working with key internal teams to meet client/partner specific needs. Both individuals will be based in Owings Mills.
- 2. What kind of implementation and ongoing support will we have?**
The on-site team will be available to assist with group-specific needs. They will also be available to assist in implementations, as needed. There will also be a team housed in Eagan, MN that will work directly with CareFirst, brokers or groups to set-up their accounts.
- 3. Is there a dedicated “BlueFund” team with the new vendor? Will we be given their contact information and are they available for calls with groups?**
As we move forward, we will identify individuals for our large group account managers to contact for employer calls if necessary.
- 4. How long will it take to set-up a new group (from enrollment to setting up a bank account to members having access to their funds)?**
For new groups, the entire set-up process can take as little as seven to ten business days. Members typically receive debit cards within 10-14 days of their mail date, based on US Postal Service delivery. With that said, CareFirst recommends receiving enrollment 30 days in advance of the client’s effective date. The client must be set-up to process enrollment.

Training

- 1. When will training sessions occur?**
In preparation for the 4/1/18 go-live date, CareFirst and Further will be holding the following train-the-trainer sessions on the following dates:
 - January 25-26, 2018: Training session one, train the trainer with Further + CareFirst
 - February 1-2, 2018: Training session two, co-facilitated training with Further + CareFirst
 - February 14, 2018: Training session three, CareFirst facilitated training

Training dates for operations, sales & service and brokers have not yet been established, but will be scheduled.

CareFirst and Further are tentatively planning on holding additional training sessions to refresh the team in preparation for the NASCO 7/1/18 migration date.

BlueFund

1. What is BlueFund?

BlueFund refers to a suite of consumer directed health care (CDH) plans from CareFirst that have been designed to make health care more affordable.

By using a medical spending account, such as a Health Savings Account (HSA) or a Health Reimbursement Arrangement (HRA) with a higher deductible health plan, BlueFund gives members more control over how they spend their health care dollars, while offering employers more cost saving options. BlueFund plans have two main components:

- A qualified high-deductible health plan from CareFirst that meets IRS requirements, and
- An integrated, tax-preferred account used to save for, and fund, out-of-pocket medical expenses.

Employer HSA benefits include:

- Premium reduction when compared to non-CDH options
- No administrative, setup or monthly fees (ASO groups are responsible for these fees)
- Integrated enrollment so employers do not need to send the CDH administrator enrollment information or changes
- Access to detailed transaction and balance information

Employer HRA benefits include:

- Premium reduction when compared to non-CDH options
- No administrative, setup or monthly fees (ASO groups are responsible for these fees)
- When HRA funds are used to reimburse employees for out-of-pocket health care expenses, these funds are exempt from payroll and Social Security taxes
- HRA payments made by the employer can be taken as a business expense deduction

Member benefits include:

- Members have more control over how they spend their health dollars
- Members may single sign on to check their balances, submit claims etc. through My Account
- CareFirst will share information with the CDH administrator to help make claims processing simpler

2. Will CareFirst continue to offer BlueFund?

Yes, BlueFund, which is CareFirst's suite of fund management solutions, is a key differentiator for us. When the HSA and/or HRA is paired with a High Deductible Health Plan (HDHP), BlueFund helps make health care more affordable and accessible while also featuring:

- More choices, tax advantages and lower premiums for employers and their employees
- Integrated enrollment and claims processing to make it easy for employers and employees to manage their account

Products

1. What type of medical expenses are covered by an HRA or HSA?

The same types of medical expenses covered today by our BlueFund plans will be covered by Further. Please see IRS213d for more information.

2. Will CareFirst offer FSAs as a BlueFund product?

Not at this time, so initially, groups will need to work directly with Further to establish a FSA.

Balance Transfers, Investments and Fees etc.

1. How will balance transfers be handled?

For HRA balances, Further and CareFirst will work with the previous vendor to get those dollars transferred.

2. How will investments be handled?

If members choose to move their HSA dollars to Further, they will need to liquidate their investments and then transfer those dollars to their new HSA account. It is up to the member to determine if they wish to transfer.

If members choose to keep their investments where they currently have them, they will be responsible for all the administrative fees.

Further offers a comprehensive suite of Charles Schwab investment options for members. Members may open an investment account when their HSA base balance reaches and maintains a minimum of \$1,000 (for the mutual fund option). With a \$10,000 investment balance, members may opt for a self-directed brokerage option.

3. Are there HRA fees?

The BlueFund fee structure will not change.

4. What will members have to do to rollover their HSAs and move to the new bank?

Members have the option to move their HSA dollars to Further. If they choose to do so, forms to rollover their dollars will be available on the CareFirst website and customer service (866-758-6119) will be available to help with the transfer.

5. Will I be charged a fee for transferring a balance from my current CDH vendor to Further?

Members will not be charged a fee.

Employer/Employee

- 1. When can groups begin funding employees' accounts?**
As soon as the member accounts are set-up, the employer can begin sending contributions. Funds will be accessible to employees on their effective date.
- 2. What happens to an employee's HRA funds if they leave the company or retire during the plan year?**
If an employee leaves the company during the plan year, the HRA funds go back the employer. If an employee retires during the plan year, the placement of the HRA funds is dependent on how the employer requested the HRA to be set-up.
- 3. When can employees expect to receive their Health Benefits Debit Card?**
BlueFund debit cards will be in members' hands shortly before their effective date. This is contingent upon timing of when set-up and enrollment information is received.

Blue Rewards

- 1. What is CareFirst's relationship with Further as it relates to Blue Rewards?**
Currently, BenefitWallet is the vendor which operationalizes the Blue Rewards incentive cards. In 2018, we will be migrating to Further who will be operationalizing the incentive card.
- 2. What will happen to the current incentive cards?**
Members who have an available incentive balance will be re-carded. Any member who newly earns, will receive a new card from Further.
- 3. Do groups or members need to do anything to be able to access their incentive funds at Further?**
No, the process is automatic. There is nothing for the group or member to do.
- 4. How will members access their Blue Rewards incentive card information?**
The same process will continue moving forward with Further. Members should login to My Account, click on Blue Rewards, then View Payments then click on View Balances and Transactions to be directed to the Further website.

February 1, 2018

Dear Group Administrator,

CareFirst BlueCross BlueShield is pleased to announce that we have entered into an agreement with Further™ (formerly SelectAccount®), a leading administrator of health spending accounts, to provide BlueFund Consumer Directed Healthcare (CDH) and Blue Rewards incentive card administration services to our groups and members.

The decision to select a new partner, was based, in part, on feedback we received from our members and groups. Through this partnership we will be able to provide a single consistent high-quality experience for all our members and groups while enriching our CDH product offerings. This partnership will help us better engage our groups and members in their health care and enhance the overall customer experience.

Your group will migrate to Further on April 1, 2018.

We know an exciting change like this may raise questions, so we will be providing you and your employees additional details in the coming weeks. Below is a tentative schedule for when we will be reaching out to you or your employees:

- **February**
 - You will receive details about this change and how it may impact you and your employees
 - We will notify your employees about the change and provide details about how it affects them
- **March**
 - CDH members will receive a new CareFirst-branded CDH debit card, if they previously had one
 - Members who have a current balance on their Blue Rewards incentive card will receive a new CareFirst-branded incentive card.

Please note: If a member moves his/her Health Savings Account to Further, there will be a blackout period during which funds will be unavailable. When the timing and length of the blackout period is finalized, we will include this information in the communications we send to members. It may be helpful to bring this to your employees' attention, so they can make the necessary arrangements to pay for prescriptions or other eligible expenses.

This letter is notice to your group that CareFirst of Maryland, Inc. dba CareFirst BlueCross BlueShield is amending your contract by replacing all references to Xerox/XHR with MII Life, Incorporated dba Further.

We will keep you informed and make available any necessary forms or educational materials that brokers, employers or members may need for this transition in the coming months.

Sincerely,



Rose Megjan
Executive Vice President
Small Medium Group SBU

Sincerely,



David Corkum
Executive Vice President
Large Group SBU

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This letter is notice to your group that Group Hospitalization and Medical Services, Inc. dba CareFirst BlueCross BlueShield is amending your contract by replacing all references to Xerox/XHR with MII Life, Incorporated dba Further.

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This letter is notice to your group that CareFirst BlueChoice, Inc. dba CareFirst BlueCross BlueShield is amending your contract by replacing all references to Xerox/XHR with MII Life, Incorporated dba Further.

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Small Medium Group SBU

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