Jointly Administered Arrangement (JAA) Overview

Client organizations that choose an Empire BlueCross BlueShield (Empire) health plan know the advantages of our provider network—the largest in the country—with our deep discounts off billed charges and high in-network utilization. In response to escalating medical costs experienced by many Taft-Hartley Funds, along with the expense of members using out-of-network providers, Empire introduced the Jointly Administered Arrangement (JAA), a program that offers Taft-Hartley Funds the option of capitalizing on network savings that are unavailable elsewhere while maintaining control of their plan administration, resulting in overall lower costs.

Increased Provider Access

Empire's JAA program utilizes our BlueCard® PPO network, the largest national network in the United States. With over 784,000 provider office sites and more than 5,800 hospitals, our network is one-third larger than our nearest competitor. Plan members will have access to approximately 94% of hospitals and 84% of physicians nationwide, including a total of 95% of *U.S. News & World Report*'s "Best Hospitals," as well as the top ten multi-specialty hospitals in the country. Members will be able to visit providers they want, and in-network utilization will minimize out-of-network charges. Outside the country, members can also access care from an international network of over 1,000 hospitals in approximately 200 countries through the BlueCard Worldwide program.

Plan members will receive unmatched levels of recognition and stability by carrying the nationally recognized Blue Cross and Blue Shield ID card, the most trusted brand in healthcare. By choosing the Empire JAA, our clients significantly improve the opportunities for their members to stay in-network. The result of increased provider access is lower total cost for our clients and higher member satisfaction.

Greater Network Discounts

The size and strength of the BlueCard network allows Blue Cross and Blue Shield Plans to negotiate more beneficial contracts with providers, resulting in longer-term stability, from both a cost and provider turnover perspective. Additionally, based on the unmatched leverage of more than 97 million members nationwide, Empire is able to deliver the deepest discounts off billed PPO charges.

Also, in a PPO environment, the size of our nationwide network enables the ability to drive services in-network, which allows for greater claims savings. Billed charge allowances are always considerably higher than in-network negotiated discount levels, especially when negotiated rates are highly favorable. Even small increases in overall in-network utilization can generate substantial savings for our clients. Please note that in order to have access to our discounts and to comply with our provider contracts, clients must have a utilization management vendor.

A Jointly Administered Arrangement Available Only from Empire

We are able to seamlessly implement and integrate our JAA program with a client's existing medical plan, and we are committed to delivering a program that surpasses our clients' expectations. From implementation to ongoing account management, a team of highly experienced Empire professionals work closely with our JAA clients to ensure excellent plan administration and communication. The table below outlines the individual roles and responsibilities of our clients and Empire, in conjunction with our sister Blues plans across the country, in administering the JAA program.

Activity	Fund	Empire	Anthem

Activity	Fund	Empire	Anthem
Enrollment			
Enrollment and eligibility maintenance	✓		✓
Assign account-specific prefix for member ID number			✓
ID card issuance	✓		
Periodic automated membership feed to Empire in a standard file layout	✓		
Maintain membership for BCBSA reporting purposes			✓
Member Services			
Benefit file maintenance	✓		
Member communications/education	✓		
Member service	✓		
Benefit books/SPDs (creation, distribution)	✓		
Provision of provider website lookup		✓	
Claims			
Collection and Pricing of claims (from Par and Non-Par Providers)		✓	
Provision of Coordination of Benefits (COB) information if provided	✓	✓	
Reformat priced claims via 837 record			✓
Claims adjudication	✓		
Investigation of COB cases	✓		
Remit finalized claims via 835 record	✓		
Forward claim payment authorizations to Host Plans			✓
Payment of provider-payable claims		✓	
Payment of subscriber-payable claims	✓		
EOB generation	✓		
Provider-initiated adjustments		✓	
Member-initiated adjustments	✓		
Provider Services			
Provider file maintenance		✓	
Network management		✓	
Custom on-line benefit narrative	✓		✓
Requests to providers for medical records		✓	
Interactions with providers (provider education, provider payment inquiries, etc.)		✓	
Response to providers for eligibility verification			✓
Miscellaneous			
Account management		✓	✓
Utilization management, as applicable	✓		
Reconciliation of finalized claims payments	✓		✓
Pre-implementation testing and account implementation	✓	✓	✓

In addition to the network benefits and plan efficiencies of Empire's JAA, Blue Cross and Blue Shield also manages:

- All electronic claim submission from providers
- A dedicated claims processing system that interfaces with other Blues plans
- Account reporting of provider claims summary
- The provider relationships

Ease of Plan Operation

With our JAA program, members can easily locate a network provider through our website, empireblue.com, or by calling (800) 810-BLUE, which is also listed on their ID card. Members who receive services are responsible only for the applicable co-payments, deductibles, co-insurance and non-covered service charges. Participating PPO providers cannot balance bill members for the difference between what the Blues plan reimburses and what the provider charges for covered health services.

The simple steps below describe how our JAA program operates:

- A plan member receives services from the provider
- The provider sends the claim to the local Blue Cross and Blue Shield Plan
- The local Blue Cross and Blue Shield Plan prices the claim per the contracted rate
- The client is sent the priced claim
- The client adjudicates the claim and then sends the adjudicated claims file to Blue Cross and Blue Shield
- Blue Cross and Blue Shield pays the provider the client's authorized amount

Providing Value to Both Clients and Members

Empire's JAA program was created to offer clients such as UFCW Local 1500 access to our BlueCard PPO network—the largest national network in the United States—while maintaining control of the health plan's member administration functions, as well as offer the following unique program advantages:

- Significant discounts to our clients and ultimately higher member satisfaction levels and lower plan cost
- Our commitment to end-to-end accountability and advocacy in all aspects of the client relationship, which allows us to exceed our clients' service expectations
- Our ability to leverage the knowledge and experience of our sister Blues plans to deliver an effective JAA program

The many features of our JAA program will offer outstanding network access to members, as well as administrative efficiencies and overall cost savings to our clients. We look forward to the opportunity to work in partnership with UFCW Local 1500 to provide their members with outstanding value in healthcare.