

# Tobacco Status for Small Group Customers

## IBC Policies and Practices Overview

### Why does IBC collect member-level information about tobacco use?

Under the Affordable Care Act (ACA), premium rates for health insurance coverage in the individual and small group markets may be based on family size, geography, age and tobacco use.

In order to follow with this guideline and accurately rate each group, Independence Blue Cross (IBC) collects member-level tobacco use information to create group premiums for new and renewing group customers.

### IBC Process for obtaining member tobacco status

For new customers and new enrollment for existing customers in 2014, IBC now includes a section on the enrollment form that requests tobacco use status for each member.

For customers renewing in 2014, IBC mails forms to group administrators that are pre-populated with member names that the group administrator should use to record tobacco status among all members over 21 years of age, including employees (subscribers) and dependents.

### Changing tobacco status

#### Brokers and Producers

To change tobacco status on behalf of a member, please call the Broker Care Center. Please keep in mind that ACA guidelines dictate that members must be tobacco-free for six months or longer to change their status.

#### Members

Members can request a change to their tobacco status by calling member services or by using IBX.com. After logging in to the website, the member should access their Profile and choose the YES or NO button that reflects their current status.

If the member enters NO they must then enter the date of their most recent use of tobacco. If that date is six months or more from the date the update is requested, the status change will be sent to enrollment, and their

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### Tobacco Status Form Submission Options for 2014 Renewals

#### Mail

Independence Blue Cross  
Underwriting Control  
P.O. Box 13516  
Philadelphia, PA 19103

#### Email

[sgtobaccostatus@ibx.com](mailto:sgtobaccostatus@ibx.com)

#### Fax

1-215-761-0260

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new rate will be reflected in their next bill.

## Questions and Answers

### 1. For which members does ACA permit collection of tobacco status?

- All employees (age 21 and older)
- Dependents age 21 and older

### 2. Does 2014 new group enrollment form capture tobacco status information?

Yes, 2014 enrollment forms have been updated to collect employee tobacco status.

### 3. How does IBC collect tobacco status information from renewing groups?

IBC mails tobacco status forms to group administrators requesting they obtain the tobacco status of each eligible member and return the completed form to IBC.

### 4. When does IBC mail tobacco status forms to renewing groups?

The first letter is mailed six months prior to renewal. A follow-up letter is sent two weeks later, then a final request is mailed two weeks after that.

### 5. When does the tobacco status form need to be returned?

The letters request that the information is supplied to IBC within two weeks of receipt. If the information is provided after the first request, and we have updated our system no additional letters are sent. If our system is not updated prior to the next mail date, another letter will be sent, but can be ignored by the customer.

### 6. Why does IBC require this information six months prior to renewals?

Because the ACA permits insurers to use tobacco status information as one component of the rating process, IBC needs to use this information to provide accurate group premiums at renewal. The six-month lead time provide ample time for IBC to obtain and upload the tobacco status information into our systems so we can deliver accurate, ACA-compliant group ratings upon renewal.

### 7. What happens if employers or employees do not respond?

If IBC does not receive a response, we are not able to provide an accurate rate for the group. Therefore, all employees should be encouraged to provide responses that accurately reflect their tobacco use, and employers should prioritize returning the information as requested by IBC and mandated by ACA. Please note that members' coverage will not be terminated for a lack of response.

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The ACA has defined a "tobacco user" as one who consumes tobacco products four or more times a week and has done so within the last six months. This does not apply to anyone who uses tobacco products for religious or ceremonial use.

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Ratings that include tobacco status are only for new and renewing small group (2-50) customers who are in ACA-compliant plans in 2014.

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**8. What actions are taken if it is discovered that an employee provided fraudulent information?**

All employees should be encouraged to provide responses that accurately reflect their tobacco use. If it is later discovered that a member provided fraudulent information to IBC and received a lower rate as a result, IBC has the right to re-rate the group and retroactively apply the appropriate tobacco rating factor to the enrollee's premium as if this information had been accurately reported from the beginning of the plan year.

**9. What steps should group benefit administrators take if they don't want to gather employee tobacco status?**

Group benefit administrators who do not wish to gather tobacco status information can copy and distribute separate forms to each employee, who then would need to complete and return the forms directly to IBC.

**10. What if a member changes tobacco status during the year?**

Member tobacco status can be changed during the year after IBC receives the information that the member has been tobacco free for at least six months. The change will be reflected in the group's monthly bill after IBC systems are updated. If the member completes a smoking cessation program, please submit the certificate of completion with your request.

**11. What happens when a dependent is added mid-year?**

If a dependent (over age 21) is added to the policy mid-year, his/her information should be submitted as soon as possible because their rates will be adjusted mid-year.

**12. What rate is given to employees listed as "in a cessation program"?**

Members who were listed as in a cessation program at the time of the initial inquiry are given the non-smoker rate.

**13. When will invoices and renewals be updated?**

**Invoices:** Once IBC receives information and the IBC system is updated with new rate information, it will be reflected on the next invoice.

**Renewals:** will be updated on an annual basis only.

**14. Should employees who are terminated or resign be "crossed off" the tobacco status form?**

Yes. However, this does not replace the standard enrollment process so groups still must take normal steps to indicate changes for ex-employees.

**15. Is there a grandfather provision?**

No, there is no grandfather provision. All small groups are required to provide this information each year.

**16. Are tobacco cessation medications covered?**

Under the ACA, medications prescribed to assist in tobacco cessation are considered preventive and are now covered under the prescription drug benefit at 100 percent in-network (with a doctor's prescription). This includes Chantix, Zyban (Bupropion HCL), and nicotine replacement (i.e., nicotine gums, nicotine inhalers, and nicotine patches). Currently, e-cigarettes are not covered as they have not been reviewed by the Food and Drug Administration (FDA).



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