

August 19, 2014

Dear Health Care Provider,

This is an update to the letter mailed to you on July 9, 2014 with an incorrect effective date for this rate change. This an important notice concerning the TennCare reimbursement changes for the BlueCare and TennCare*Select*SM networks effective July 1, 2014.

As a result of the State of Tennessee fiscal year 2015 budget, rate reductions/reimbursement changes will be made by all TennCare Managed Care Organizations (MCOs). BlueCare Tennessee contracts automatically incorporate State laws and regulations, and the State of Tennessee requires these changes to be made effective in your BlueCare and TennCare*Select* contracts on July 1, 2014.

The Bureau of TennCare has issued an updated memorandum concerning the reimbursement changes that went into effect on July 1, 2014. The updated memo can be found on our website at bluecare.bcbst.com.

These changes will affect BlueCare, TennCare*Select* and CoverKids plans.

The updated memorandum provides specific guidance related to the changes that will be made to reimbursements as a result of the state's budget.

Thank you for all you do in caring for our BlueCare Tennessee and CoverKids members.

Sincerely,



Scott Pierce
BlueCare Tennessee CEO and President