



SmartShopper Incentive Program FAQs

EMPLOYERS

1. What is SmartShopper?

SmartShopper is an incentive and engagement platform that can save employers and their employees money on healthcare expenses every time an employee uses reward-eligible, lower-cost care for procedures included in the program. The platform launched as a part of the Cost Sharing Estimate and Price Comparison Tool, also known as Find Care. As part of Blue Cross and Blue Shield of Kansas City's (Blue KC) commitment to cost transparency and cost savings, we are partnering with Sapphire Digital to reward members for making cost-effective healthcare choices through the SmartShopper platform.

When your employees, or their covered dependents, use an eligible, cost-effective provider, they will receive a reward check and your company will save. The program is designed to empower employees to be customers of their own healthcare, giving them the resources needed to shop for care, compare options, and make informed decisions.

2. How will employees know if they're eligible to participate in SmartShopper?

SmartShopper is embedded in Blue KC's provider finder and cost tool experience for eligible members. Once an employee is logged into the member portal, the SmartShopper functionality is included. Additionally, employers can share informational materials highlighting the program details to employees.

3. Which medical procedures are eligible for cash rewards?

Qualifying medical procedures such as MRIs, mammograms, colonoscopies, blood work, or cancer screenings are eligible for SmartShopper. The program also supports more complex elective procedures, such as joint replacement and spine surgery. The amount of the reward an employee receives depends on the services rendered. Employees can search using Blue KC's Find Care experience, where SmartShopper-eligible members can see a list of procedures that are eligible for rewards. The employee needs to have their procedure completed within 1 year of shopping.

Note: No gift cards are issued. A SmartShopper reward comes in the form of an incentive check mailed directly to the employee.

4. How much is a typical cash reward?

The amount of the cash reward that an employee receives depends on the medical service(s) rendered. While there is no maximum, any employee earning more than \$600 will receive a 1099 tax form. A check from SmartShopper is mailed to the employee's home address once the claims matching process is complete.

5. How can employees earn incentives from SmartShopper?

When a doctor recommends a medical service that is included in the program, employees should log into their member portal at [BlueKC.com](https://www.bluekc.com) or on the [MyBlueKC](#) mobile app. Once logged in, employees can access the provider finder and cost tool experience where SmartShopper will be part of the experience for an eligible employee once they log in. For more help, eligible employees can call the number on the back of their ID card to reach a Blue KC customer advocate, or the Personal Assistant Team (PAT) at [1-855-476-5027](tel:1-855-476-5027).

6. What will employees see when they shop using SmartShopper?

When logged onto the member portal, an eligible employee clicks on the SmartShopper tile to start shopping. Employees will see providers and facilities that are in-network for their specific plan types. An employee can search by procedure or use other filters such as provider or facility. The results page will show the estimated cost and maximum SmartShopper reward an employee can earn, allowing them to compare options and pricing. The estimated costs consider an employee's deductible and out-of-pocket costs. A confirmation code is displayed on the screen as a record of an employee's shopping activity. This code can be used to reference the shop with the Personal Assistance Team if an employee needs further assistance. (The desktop experience for SmartShopper mirrors the MyBlueKC mobile app experience for SmartShopper.) If extra support is needed, your workforce can contact the Personal Assistant Team and reference the shop code.

7. What is the SmartShopper Personal Assistant Team (PAT)?

The Personal Assistant Team offers a high-touch, concierge service, personalized to each employee. It is not like a "call center" experience. PAT works to improve members' understanding of the SmartShopper program and increase engagement. Data shows 86% of members who use PAT convert to a better priced facility.

When an employee calls PAT, a team member is there to listen and take time with the employee at every step to the process to identify the right care. The team can help find cost-effective facilities, schedule appointments, validate procedure referrals with doctors and obtain pre-authorizations with Blue KC. The Personal Assistant Team is available Monday through Thursday from 8 a.m. to 8 p.m. and Friday from 8 a.m. to 6 p.m. ET.

8. Will my employees' coverage change when using SmartShopper?

No. Their coverage stays the same whether they use the SmartShopper program or not.

9. Do employees need to pay to participate in SmartShopper?

No. SmartShopper is provided at no cost to employees if their employer is participating in the SmartShopper program.

10. Is there a maximum amount employees can earn?

While there is no maximum, any employee that earns more than \$600 will receive a 1099 tax form.

11. Are there any tax implications associated with the program?

The Internal Revenue Service (IRS) considers the reward as taxable income to the employee at the point of redemption. The rules on taxability and reporting of rewards are subject to interpretation, and Blue KC does not provide tax advice. Every check a member receives from SmartShopper indicates the cash reward is taxable. It is printed above the payer address.

Note: Employers are encouraged to contact their tax advisor for guidance. Your Blue KC representative can also work to answer questions regarding tax implications and SmartShopper. Additionally, SmartShopper can share best practices for taxation with employers before implementing a program.

12. Will my employees have to change their primary care provider (PCP) to use SmartShopper?

No. Your employees can continue to use their current PCP as long as the providers participate in your Blue KC health plan's network. To find in-network providers, your employees can log into their member portal on [MyBlueKC.com](https://www.mybluekc.com) or register online on the [MyBlueKC](https://www.mybluekc.com) mobile app and access Blue KC's Find Care experience. If an employee has a health plan with exclusive access to Spira Care, an employee can shop using SmartShopper after the Care Team directs care.

13. What reporting for my employee population available for this program?

Group-specific reporting is available for ASO buy-up clients. For fully insured customers, group-specific reporting is not currently available, however Blue KC is looking to see if requests for fully insured reporting can be accommodated in the future.

14. What is the timeline for implementation?

Once an ASO group has confirmed its desire to participate and completed all necessary paperwork, implementation takes approximately 60 days.

15. What if a procedure is scheduled when employees become eligible for SmartShopper? Can he or she still “shop” and qualify for a reward?

An employee must have a confirmation number tied to a SmartShopper-eligible search to qualify for a SmartShopper reward. As long as the procedure has not yet been performed, the employee can go online, complete a search, get a confirmation number, and still be eligible for a reward as long as the employee selects a procedure eligible for a SmartShopper reward.

16. Does SmartShopper impact a member’s Health Savings Account (HSA)?

Sapphire Digital does not view the SmartShopper Program as circumventing deductibles for health savings accounts (HSAs) because the Program does not, and is not intended to, constitute the presence of other health coverage. The Program does not provide benefits in the nature of medical care. Rather, the Program is strictly a consumer incentive for plan members in the healthcare marketplace.

The Program’s features are limited in scope and do not impact benefits or providers available under the plan. Plan members are free to select any provider available under the Plan and experience no adverse consequences of any kind if they do not select the high-value provider. Incentives only apply to a certain select number of covered services. Furthermore, the plan member’s eligibility for participation in the Plan does not change and the plan member’s cost for participation in the Plan does not increase and remains the same as that of all other plan members. The plan member’s obligations with respect to deductibles also do not change as a result of the Program.

For the reasons described below, the Program should not constitute the presence of other health coverage. More specifically:

1. The Program does not affect the contributions that employees are required to make in order to participate in the Plan. All members pay the same contributory amount whether they receive a service from an Incentive Eligible Provider or not;
2. Similarly, the Program does not affect any copay, deductible or maximum benefit amounts for any plan member based on whether the plan member is or is not eligible for a reward;
3. The Program does not limit the quantity of providers that plan members can access or are available for selection by plan members under the Plan;
4. Employer expenditures in connection with the Program do not diminish or offset any financial obligations the employer has to the Plan;
5. The employer’s expenditures for rewards and for the administration of the plan of benefits are not a factor in determining whether the Plan meets the minimum “value” criteria set by the ACA; and
6. Eligibility for rewards does not involve any discretionary conduct. The employer sets specific criteria with respect to which it is willing to offer a reward, and a circumstance either meets those criteria or it does not. The employer also retains the authority to terminate the reward or alter or amend the reward program at any time without affecting in any manner the Plan that covers its employees.

This summary is being provided to third parties solely for informational purposes and should not be relied upon as tax or legal advice. Your clients should consult with their own tax and legal advisors with respect to the Smart Shopper Program.

17. How do members respond to the SmartShopper program?

Ninety-eight percent of employees surveyed say they were satisfied or extremely satisfied with the SmartShopper program. The survey is administered to an employee after completing a shop through SmartShopper's Personal Assistance Team. It is an ongoing survey, and the results are reported quarterly by SmartShopper.

Contact your Blue KC representative with any questions about SmartShopper.