

WA GROUP (1-99)
90-Day Notice to Group Administrators

Re: Health Care Reform

We are writing to notify you of some important changes to your Regence health insurance coverage that will affect your current benefits and premiums. Several of these changes will occur as the result of the near-term provisions of the Patient Protection and Affordable Care Act (PPACA) that was recently passed by the Federal government as part of health care reform.

You are currently covered under one of our health plans. We are modifying your coverage to ensure that it is compliant under the Act. This means your coverage will be changed as follows:

- “Adult children” will be eligible to be covered up to age 26, regardless of marital status, student status or financial dependency;
- Pre-existing condition exclusions will not be applied for enrollees under age 19. Individuals also cannot be denied enrollment due to a pre-existing condition;
- Preventive services will be covered at 100% of the allowed amount with no deductible and no copayment;
- The overall lifetime dollar limit on essential benefits will be removed; and
- Any overall annual dollar limit on essential benefits will be modified if necessary to comply with guidance from the U.S. Department of Health and Human Services.

These changes will become effective upon your next renewal date. Because these changes include an expansion of coverage and benefits, medical costs are expected to rise as a result. Our goal as a non-profit health insurer is to anticipate our members’ needs as accurately as possible so we can collect just enough premiums to cover costs. To ensure that we are adequately covering the additional costs associated with PPACA your premium will increase upon renewal.

We understand that these changes will prompt questions and concerns from your employees. We encourage you to share this information with your enrolled employees. While this is only a notification letter and does not require action on their part, or yours, it’s important that you and your employees understand the kinds of changes that will be made at renewal, and the reasons for them.

The contract you receive upon renewal will contain more specific information about changes to your benefits and premium. If you have questions regarding these changes, please talk to your producer or Regence sales representative. You can also find information on our website at www.wa.regence.com. We are grateful you are part of the Regence community and look forward to continuing to serve you in the future.

FINAL DRAFT June 25, 2010 [CP-SS AIE 1-99: 07/01 notice date for 10/01 renewals (RBS, ANH, RBCBSO Clark County)]