



November, 2013

< Name>
<Title>
<Address>
<Address>
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Client # _____

Dear _____:

Highmark Blue Cross Blue Shield Delaware (Highmark Delaware) appreciates your business and looks forward to continuing to serve the health benefits needs of you and your employees. We understand the challenges small businesses face when considering employee health care coverage under Health Care Reform. Enclosed is the information you will need to renew your group health plan for the plan year January 1, 2014 through December 31, 2014. Because your current plan is not compliant with Health Care Reform regulations, we have mapped this plan to an alternative Health Care Reform product. If you wish to keep the plan that we've mapped for you, no further action is needed on your part. However, if you wish to make a change, you will have to complete the enclosed Small Group Business Application.

The following materials are included:

- Shared Cost PPO and EPO Benefit Summary
- Health Savings PPO and EPO Benefit Summary
- "Notice of Alternative Rate Schedule" -- Health Care Reform compliant plans and rates
- Small Group Business Application and
- Renewal Guide.

Your Premium Rates for the Upcoming Benefit Period

This letter represents written notice concerning the monthly premium rates for the renewal of your health plan coverage. The rates are based on our health care plan that meets Health Care Reform requirements and most closely matches your existing plan. The Estimated Monthly Premiums are based on the age of each of your covered employees and their covered dependent spouse and/or child(ren) with the exception that no more than three dependent children under the age of 21 were included in the estimated monthly premium calculation. Your invoice summary will provide you with total premium charges due for the current billing period. The monthly premium amounts necessary to provide coverage are indicated below:

--- System will pull in Program/Group/Estimated monthly premium info ---

Note: *The estimated monthly premium is based on enrollment at the time of the rate calculation. Please reference the enclosed "Exhibit - Renewal Chart" for rate detail on the estimated monthly premium.

Traditional Dental and BlueVision Premier Rates

For clients currently enrolled or those who wish to add dental and/or vision coverage(s) to their plan, the rates are listed below.

Traditional Dental Rates

<u>Employee Only</u>	<u>Employee & Child(ren)</u>	<u>Employee & Spouse</u>	<u>Employee & Family</u>
\$40.73	\$104.51	\$104.51	\$104.51

BlueVision Premier

<u>Employee Only</u>	<u>Employee & Child(ren)</u>	<u>Employee & Spouse</u>	<u>Employee & Family</u>
\$5.72	\$15.22	\$11.44	\$23.39

For your convenience, the estimated monthly premiums for alternative benefit designs are listed on the enclosed "Notice of Alternative Rate Schedule." You may either keep your existing plan option(s) or choose from the alternative benefit designs schedule. Please be aware that the deadline for changing your coverage is 30 days prior to the effective date of your new coverage. Requests received after the deadline will result in a delay of one month beyond the effective date included in this letter. *Please follow the instructions on the enclosed renewal guide when renewing or making a change to your existing coverage.*

Additional Information

Sole Proprietor Groups of One

Under both Delaware and Federal law the SHOP Exchange rules forbid covering a sole proprietor group of one as a small employer. However, Delaware law does allow a sole proprietor group of one to purchase small employer group health insurance, as long as this is done outside of the SHOP Exchange.

Carveout and Medicare Complimentary Plans

Due to Health Care Reform, effective January 1, 2014, as Clients renew our Carve-out and Medicare Complimentary Plans will no longer be available. Carve-out members have the option of either enrolling in a group benefit plan – where special carve-out rates will not apply, or a Medicare Supplement plan through our Individual Market with no medical underwriting. To inquire about our Individual Medicare Supplement plans, please contact Keith Webb at 302-421-3121 or Keith Webb@highmark.com

Summary of Benefits and Coverage (SBC)

The Patient Protection and Affordable Care Act (PPACA or health care reform) requires group health plans and health plan carriers to provide a Summary of Benefits and Coverage document (SBC) to eligible plan participants. SBCs, which must be created in a specific format with content dictated by Federal law, are intended to provide a uniform description of benefits and coverage. Beginning with new or renewing plan years on or after September 23, 2012, SBCs must be provided to your eligible employees and dependents as required by Section 2715 of the Public Health Service Act and related regulations. SBCs are available on our website at https://www.highmarkbcbsde.com/sbc/bcbsde_smallgroup.html. If you do not have access to the internet, you can request a free paper copy by calling 1-800-572-4400.

Note: you can find more information about health care reform, including details on the provisions mentioned in this letter, online at www.highmarkonhealthreform.com.

Ceridian (COBRA Administration)

Effective September 1, 2013, we will no longer provide COBRA administration services through Ceridian for any of our Clients. As a result you may choose to; handle your own Cobra administration, continue to work with Ceridian under a direct arrangement (by contacting Edward Brunson at 800-790-9057 ext. 8725 or email him at Edward.brunson@ceridian.com), or look into other Cobra administrators.

Ancillary Products

In addition to health insurance, you can offer your employees ancillary products, such as disability and life insurance, through our subsidiary company, Delaware Ancillary Insurance Agency (DAIA) which offers employer-paid group products, as well as voluntary products. That means you can offer your employees voluntary ancillary insurance products with no additional cost to your business. From disability and group life to dental insurance, you can customize your product offerings to meet the needs of your company and your employees. For more information, please contact Sue Dahms at **302-421-3348** or sue.dahms@highmark.com.

If you have any questions regarding your Highmark Delaware small group renewal, please contact your broker or a Highmark Delaware Marketing Representative at 800-572-4400.

Sincerely,



David M. Buckler
Director, Sales and Broker Relations - DE

Enclosures