

**Sample Letter:**  
**Companies offering PPOBlue and  
ClassicBlue Comprehensive and/or Traditional**

IMPORTANT HEALTH INSURANCE PORTABILITY AND  
ACCOUNTABILITY ACT (HIPAA) NOTICE  
RELATING TO YOUR HEALTH CARE COVERAGE

Please read this letter carefully. It explains:

- Highmark's new approach for small group health care coverage
- How your coverage will be affected
- New coverage options available to you

Dear Group Benefit Administrator:

The availability of reliable, affordable health care coverage for small businesses continues to be a major concern for everyone, including Highmark. As you are probably aware, for several years, we have strongly supported reforms at the state level to ensure that all insurers follow the same rules for setting health insurance rates for small employers. We believe small group insurance reform is the only way to ensure that small businesses will have access to affordable health care coverage for their employees on a long-term basis and to establish a more competitive insurance market for small employers.

At this stage, it is uncertain whether small employer health insurance reform will be enacted in Pennsylvania. We also don't know the outcome of the federal health care debate and its potential impact on small business. For these reasons, Highmark must take steps to remain a viable health care coverage option for small employers and to reinforce our commitment to serving the small employer market in Pennsylvania, as we have done for decades.

We have decided that it's necessary to withdraw certain products from the small group market and to replace these products with comparable coverage offered through our fully owned subsidiary, Highmark Health Insurance Company. Like Highmark Blue Cross Blue Shield, this subsidiary is a licensee of the Blue Cross and Blue Shield Association. And you can be assured that this Highmark company will provide the same reliable service and capabilities you have come to expect from Highmark Blue Cross Blue Shield.

Beginning with groups that renew in July 2010, we will discontinue the following products, and the prescription drug coverage that typically accompanies the medical products, for groups with 50 or fewer employees:

- PPOBlue Preferred-Provider Organization program, including our PPOBlue qualified High Deductible Health Plan

- ClassicBlue Comprehensive and ClassicBlue Traditional programs
- Fashion Advantage, Fashion Advantage Gold and Clear Advantage Vision programs

Although these products will be discontinued, we assure you that, at the time of your 2010 renewal, you will have an opportunity to choose new medical, prescription drug and vision coverage that will meet your employees' needs.

***A range of benefit designs to meet small group needs***

To meet the unique needs of the small group market, Highmark Health Insurance Company will offer a wide range of PPOBlue (including prescription drug coverage) and vision benefit designs so you will be able to select benefits that are identical or similar to your existing coverage. Although the ClassicBlue Comprehensive and ClassicBlue Traditional programs will no longer be offered to the small group market, we're sure you'll find a PPOBlue benefit design to meet the needs of your employees who currently have ClassicBlue coverage.

And, because Highmark Health Insurance Company is a licensee of the Blue Cross and Blue Shield Association, your employees will be able to continue to enjoy all the advantages they have come to expect from their "Blue" benefit coverage. This letter explains how our new approach to small group health care coverage will be implemented, how your group will be affected and the Highmark Health Insurance Company health care options that will be available to you for your **2010** renewal.

***No change until your 2010 renewal***

It's important for you to understand that this change will take place **beginning with groups that renew in July 2010**. That means your group will not be affected until your 2010 renewal.

We are writing to you now because the Health Insurance Portability and Accountability Act (HIPAA) requires an advance written notification when specific health insurance products are withdrawn from the market. Please be assured that termination of these products from the small group market is being done uniformly and is consistent with all federal and state laws.

***Your employees will enjoy easy-to-use PPO coverage***

In making this change, we understand the importance of continuing to provide the quality health care coverage that you and your employees have come to expect from Highmark. So please be reassured that, although the Highmark Blue Cross Blue Shield coverage you currently offer your employees is being eliminated, you'll be able to purchase replacement coverage from Highmark Health Insurance Company.

To minimize confusion for your employees and the health care providers in our network, the PPO products offered by Highmark Health Insurance Company will also be called "PPOBlue," and you'll find they offer all the advantages of our existing PPOBlue products.

For example, because Highmark Health Insurance Company's products use the same network as your current coverage, your employees who currently have Highmark Blue Cross Blue Shield PPOBlue coverage can continue to receive care from the same health care providers they use now. Your employees with ClassicBlue coverage will be pleased to learn that the PPOBlue provider network is one of the largest in the area. So, chances are, the providers they currently use are part of the PPOBlue network. And all of your employees will continue to enjoy the freedom of seeing any health care provider they choose. They don't need to select a primary care physician (PCP) or receive referrals for specialty care. They can even choose to see providers outside the network, and benefits will be paid at a lower level. PPOBlue members also have access to "Blue" network providers throughout the country. So, if they travel or live outside Highmark's service area, they can still receive high-level benefits by choosing providers who participate in the local "Blue" PPO network. The vision programs offered by Highmark Health Insurance Company will be identical to the Fashion Advantage and Fashion Advantage Gold vision programs currently offered by Highmark Blue Cross Blue Shield – same program names, same provider network.

***Choose a PPOBlue benefit design to match your current coverage ...***

Most employer groups will find that the PPOBlue product design options available through Highmark Health Insurance Company include a design with copayments, coinsurance and many other benefit provisions that are identical or similar to the design of their current coverage. That way, if you want, you can move to an option that minimizes changes for your employees.

***Or look into other new PPOBlue benefit designs ...***

Highmark Health Insurance Company will offer a wide range of PPOBlue benefit designs, including qualified high-deductible health plans that give your employees the option of opening a health savings account (HSA) for valuable tax savings as well as other low-cost designs that offer innovative cost-sharing options.

You'll learn more about the options available when you receive your rate notification letter for your benefit coverage that begins in 2010, approximately 60 days before the beginning of your 2010 benefit period. If you have any questions, please contact your authorized agent who can answer your questions and help you make the right decision about the new coverage you select.

***There is nothing you need to do now***

At the time of your group's next scheduled renewal, you'll receive a rate notice from Highmark Health Insurance Company for your new coverage. *There's nothing you need to do now. Your existing coverage will continue – with no change in benefits – until the end of your current contract year.*

If you have any questions in the meantime, you can contact your authorized agent or call Highmark at 1-866-673-9111. And thank you for your continued support as we move forward with this new approach that will enable us to maintain our commitment to

serving the small employer market and to remain a viable coverage option for small employers.

Sincerely,

Daniel O'Malley  
Market President, Western Region

**Sample Letter:**  
**Companies offering KeystoneBlue HMO AND PPOBlue and/or  
ClassicBlue Comprehensive and/or Traditional**

IMPORTANT HEALTH INSURANCE PORTABILITY AND  
ACCOUNTABILITY ACT (HIPAA) NOTICE  
RELATING TO YOUR HEALTH CARE COVERAGE

Please read this letter carefully. It explains:

- Highmark's new approach for small group health care coverage
- How your coverage will be affected

Dear Group Benefit Administrator:

The availability of reliable, affordable health care coverage for small businesses continues to be a major concern for everyone, including Highmark. As you are probably aware, for several years, we have strongly supported reforms at the state level to ensure that all insurers follow the same rules for setting health insurance rates for small employers. We believe small group insurance reform is the only way to ensure that small businesses will have access to affordable health care coverage for their employees on a long-term basis and to establish a more competitive insurance market for small employers.

At this stage, it is uncertain whether small employer health insurance reform will be enacted in Pennsylvania. We also don't know the outcome of the federal health care debate and its potential impact on small business. For these reasons, Highmark must take steps to remain a viable health care coverage option for small employers and to reinforce our commitment to serving the small employer market in Pennsylvania, as we have done for decades.

We have decided that it's necessary to withdraw certain products from the small group market and to replace these products with comparable coverage offered through our fully owned subsidiary, Highmark Health Insurance Company. Like Highmark Blue Cross Blue Shield, this subsidiary is a licensee of the Blue Cross and Blue Shield Association. And you can be assured that this Highmark company will provide the same reliable service and capabilities you have come to expect from Highmark Blue Cross Blue Shield.

Beginning with groups that renew in July 2010, we will discontinue the following products, and the prescription drug coverage that typically accompanies the medical products, for groups with 50 or fewer employees:

- PPOBlue Preferred-Provider Organization program, including our PPOBlue qualified High Deductible Health Plan
- ClassicBlue Comprehensive and ClassicBlue Traditional programs

*Optional for groups with Signature 65:*

- [Major Medical coverage for Signature 65 members]
- Fashion Advantage, Fashion Advantage Gold and Clear Advantage Vision programs

Although these products will be discontinued, we assure you that, at the time of your 2010 renewal, you will have an opportunity to choose new medical, prescription drug and vision coverage that will meet your employees' needs.

*Optional for groups with Signature 65:*

[Although Major Medical coverage will not be available from Highmark Health Insurance Company, our records show that the utilization of this product by Signature 65 members is extremely low. So we anticipate a minimal effect on your employees or retirees as a result of the discontinuation of this product.]

***No change until your 2010 renewal***

It's important for you to understand that this change will take place **beginning with groups that renew in July 2010**. That means your group will not be affected until your 2010 renewal.

We are writing to you now because the Health Insurance Portability and Accountability Act (HIPAA) requires an advance written notification when specific health insurance products are withdrawn from the market. Please be assured that termination of these products from the small group market is being done uniformly and is consistent with all federal and state laws.

***There is nothing you need to do now***

KeystoneBlue HMO coverage is not included in this product withdrawal. It will continue to be available from Keystone Health Plan West.

*Optional for groups with Signature 65:*

[You will also continue to be able to offer Signature 65 Medicare complementary coverage – without the supplemental Major Medical contract – from Highmark Blue Cross Blue Shield.]

At the time of your group's next scheduled renewal, you'll receive a renewal letter for your KeystoneBlue coverage

*Optional for groups with Signature 65:*

[and a separate renewal letter for your Signature 65 coverage].

The rates for your KeystoneBlue coverage will be based on the assumption that your employees who currently have coverage in one of the Highmark products that is being discontinued will move to KeystoneBlue coverage effective with your 2010 renewal. Your authorized agent will be prepared to talk with you about other options that will be available to you through Highmark Health Insurance Company.

*There's nothing you need to do now. Your existing coverage will continue – with no change in benefits – until the end of your current contract year.*

If you have any questions in the meantime, you can contact your authorized agent or call Highmark at 1-866-673-9111. And thank you for your continued support as we move forward with this new approach that will enable us to maintain our commitment to serving the small employer market and to remain a viable coverage option for small employers.

Sincerely,

Daniel O'Malley  
Market President, Western Region

**Sample Letter:**  
**Companies offering Vision only**

IMPORTANT NOTICE RELATING  
TO YOUR HEALTH CARE COVERAGE

Please read this letter carefully. It explains:

- Highmark's new approach for small group health care coverage
- How your coverage will be affected

Dear Group Benefit Administrator:

The availability of reliable, affordable health care coverage for small businesses continues to be a major concern for everyone, including Highmark. As you are probably aware, for several years, we have strongly supported reforms at the state level to ensure that all insurers follow the same rules for setting health insurance rates for small employers. We believe small group insurance reform is the only way to ensure that small businesses will have access to affordable health care coverage for their employees on a long-term basis and to establish a more competitive insurance market for small employers.

At this stage, it is uncertain whether small employer health insurance reform will be enacted in Pennsylvania. We also don't know the outcome of the federal health care debate and its potential impact on small business. For these reasons, Highmark must take steps to remain a viable health care coverage option for small employers and to reinforce our commitment to serving the small employer market in Pennsylvania, as we have done for decades.

We have decided that it's necessary to withdraw certain products from the small group market and to replace these products with comparable coverage offered through our fully owned subsidiary, Highmark Health Insurance Company. Like Highmark Blue Cross Blue Shield, this subsidiary is a licensee of the Blue Cross and Blue Shield Association. And you can be assured that this Highmark company will provide the same reliable service and capabilities you have come to expect from Highmark Blue Cross Blue Shield.

Beginning with groups that renew in July 2010, we will discontinue our Fashion Advantage, Fashion Advantage Gold and Clear Advantage Vision programs for groups with 50 or fewer employees. Although these products will be discontinued, we assure you that, at the time of your 2010 renewal, you will have an opportunity to choose new vision coverage that will meet your employees' needs.

*Optional for groups with Signature 65:*

[We will also discontinue the supplemental Major Medical coverage that some of your Signature 65 members may currently have. Although Major Medical coverage will not

be available from Highmark Health Insurance Company, our records show that the utilization of this product by Signature 65 members is extremely low. So we anticipate a minimal effect on your employees or retirees as a result of the discontinuation of this product.]

***A range of benefit designs to meet small group needs***

To meet the unique needs of the small group market, Highmark Health Insurance Company will offer a wide range of vision benefit designs. If you currently offer a Fashion Advantage or Fashion Advantage Gold program, you will be able to select benefits that are identical to your existing coverage. And, because Highmark Health Insurance Company is a licensee of the Blue Cross and Blue Shield Association, your employees will be able to continue to enjoy all the advantages they have come to expect from their “Blue” vision coverage. This letter explains how our new approach to small group health care coverage will be implemented and how your group will be affected.

***No change until your 2010 renewal***

It’s important for you to understand that this change will take place **beginning with groups that renew in July 2010**. That means your group will not be affected until your 2010 renewal.

We are writing to you now because the Health Insurance Portability and Accountability Act (HIPAA) requires an advance written notification when specific health insurance products are withdrawn from the market. Please be assured that termination of these products from the small group market is being done uniformly and is consistent with all federal and state laws.

***New vision products are identical to your existing coverage***

In making this change, we understand the importance of continuing to provide the quality health care coverage that you and your employees have come to expect from Highmark. So please be reassured that, although the Highmark Blue Cross Blue Shield vision coverage you currently offer your employees is being eliminated, you’ll be able to purchase replacement coverage from Highmark Health Insurance Company.

***Optional for groups with KeystoneBlue HMO:***

[KeystoneBlue HMO coverage is not included in this product withdrawal. It will continue to be available from Keystone Health Plan West.]

To minimize confusion for your employees and the vision providers in our network, the vision products offered by Highmark Health Insurance Company will also be called “Fashion Advantage” and “Fashion Advantage Gold.” And, because the Highmark Health Insurance Company products use the same network as your current coverage, your employees can continue to receive care from the same vision providers they use now.

***There is nothing you need to do now***

At the time of your group's next scheduled renewal, you'll receive a rate notice from Highmark Health Insurance Company for your new vision coverage

*Optional for groups with Signature 65:*

[and a separate renewal letter for your Signature 65 coverage]

*Optional for groups with KeystoneBlue HMO:*

[and a separate renewal letter for your KeystoneBlue HMO coverage.]

*There's nothing you need to do now. Your existing coverage will continue – with no change in benefits – until the end of your current contract year.*

If you have any questions in the meantime, you can contact your authorized agent or call Highmark at 1-866-673-9111. And thank you for your continued support as we move forward with this new approach that will enable us to maintain our commitment to serving the small employer market and to remain a viable coverage option for small employers.

Sincerely,

Daniel O'Malley  
Market President, Western Region

**Sample Letter:**  
**Companies offering Signature 65 only**

IMPORTANT HEALTH INSURANCE PORTABILITY AND  
ACCOUNTABILITY ACT (HIPAA) NOTICE  
RELATING TO YOUR HEALTH CARE COVERAGE

Please read this letter carefully. It explains:

- Highmark's new approach for small group health care coverage
- How your Signature 65 coverage will be affected

Dear Group Benefit Administrator:

The availability of reliable, affordable health care coverage for small businesses continues to be a major concern for everyone, including Highmark. As you are probably aware, for several years, we have strongly supported reforms at the state level to ensure that all insurers follow the same rules for setting health insurance rates for small employers. We believe small group insurance reform is the only way to ensure that small businesses will have access to affordable health care coverage for their employees on a long-term basis and to establish a more competitive insurance market for small employers.

At this stage, it is uncertain whether small employer health insurance reform will be enacted in Pennsylvania. We also don't know the outcome of the federal health care debate and its potential impact on small business. For these reasons, Highmark must take steps to remain a viable health care coverage option for small employers and to reinforce our commitment to serving the small employer market in Pennsylvania, as we have done for decades.

We have decided, beginning with groups that renew in July 2010, to withdraw certain products for groups with 50 or fewer employees. Some of these products – such as our PPOBlue coverage – will be replaced with comparable coverage through our fully owned subsidiary, Highmark Health Insurance Company, but Major Medical coverage, which supplements your Signature 65 coverage, will not be available from Highmark Health Insurance Company. Our records show that utilization of Major Medical by Signature 65 members is extremely low, so we anticipate a minimal effect on your employees or retirees as a result of the discontinuation of this product.

***No change until your 2010 renewal***

It's important for you to understand that this change will take place **beginning with groups that renew in July 2010**. That means your group will not be affected until your 2010 renewal.

We are writing to you now because the Health Insurance Portability and Accountability Act (HIPAA) requires an advance written notification when specific health insurance products are withdrawn from the market. Please be assured that termination of this product from the small group market is being done uniformly and is consistent with all federal and state laws.

***There is nothing you need to do now***

At the time of your group's next scheduled renewal, you'll receive a renewal letter for your Signature 65 coverage without Major Medical. *There's nothing you need to do now. Your existing Signature 65 coverage with Major Medical will continue – with no change in benefits – until the end of your current contract year.*

If you have any questions in the meantime, you can contact your authorized agent or call Highmark at 1-866-673-9111. And thank you for your continued support as we move forward with this new approach that will enable us to maintain our commitment to serving the small employer market and to remain a viable coverage option for small employers.

Sincerely,

Daniel O'Malley  
Market President, Western Region