

First Name, Last name

Address line 1

Address line 2

City, State, Zip

ENCLOSED WITH THIS PACKET IS A NOTICE THAT THE CENTERS FOR MEDICAID AND MEDICARE SERVICES (CMS) REQUIRES ALL ISSUERS PROVIDE TO INDIVIDUALS PRIOR TO THE RENEWAL OF THEIR CURRENT HEALTHCARE PLAN.



«NAME»
«ADDR1»
«ADDR2»
«ADDR3»
«CITY» «STATE» «ZIP»

October 2015

Re: Your 2016 Health Plan Options

Dear «NAME»:

Thank you for being a valued Capital BlueCross customer. As your health and wellness partner, we appreciate the opportunity to provide you with health coverage and so much more to help you live healthy.

As you know, the Affordable Care Act (ACA) has brought extensive changes to the health care industry. Some of those changes have caused your current plan to be discontinued; however, we are able to automatically enroll you in a similar plan effective January 1, 2016. Enclosed is an explanation of your new plan that outlines key differences from your current one. In addition, Centers for Medicare & Medicaid Services (CMS) is requiring that we include the enclosed discontinuation notice of your 2015 plan.

The ACA requires that you have pediatric dental coverage, an essential health benefit, as part of your medical plan. This year, pediatric dental benefits are included as part of your medical plan for your convenience. Last year, you had to purchase pediatric dental coverage separately to meet this essential health benefit requirement. If you purchased a separate pediatric only dental plan with Capital BlueCross last year, you may no longer need this plan. Please review your Capital BlueCross dental plan notice for more information (this notice will be mailed to you separately).

We recognize that this process can be overwhelming. We are here to help. The ACA open enrollment period begins on November 1, 2015. If you would like to explore other medical, dental or vision options, or determine if you qualify for a tax credit, go to choosecapitalblue.com, call our sales team at 800.307.3563, stop by one of our Capital Blue stores (go to capitalbluestore.com for hours and locations), or contact a qualified health insurance producer.

Thank you again for choosing Capital BlueCross. We appreciate your business and look forward to continue serving you with excellence.

Sincerely,

A handwritten signature in black ink, appearing to read "Stacey L. Warner". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Stacey L. Warner
Vice President Federal Programs

Enclosures

Important: Capital BlueCross isn't offering your current health coverage next year in your area. Unless you take action by December 15, 2015, you will be automatically enrolled in a new plan. Read this letter to learn more and to review your options.

[Date of Notice³]

[First Name][Last Name]
[Address line 1]
[Address line 2]
[City][State][Zip]⁴

Dear [First Name of Subscriber⁵]:

Every year, insurance companies can make changes to the plans and coverage options they offer. **Capital BlueCross won't offer the coverage you currently have in 2015 again in your area in 2016. We have suggested a new plan for you, but you can review your options and decide what to do.** The last day of your current coverage is December 31, 2015.

Your suggested new plan

Even though your current coverage isn't being offered in your area next year, we have found another plan you may like. **You will automatically be enrolled in [Plan name¹⁰] to make sure there isn't a gap in your coverage. You can enroll in a different plan anytime between January 1, 2016 and March 1, 2016. If you want coverage to start January 1, make sure you enroll by December 15, 2015.**

Please review your new premium and benefits below to see if this plan meets your needs. If it doesn't, keep reading to learn about your other options.

- Premium – Your new premium starts in January. Your monthly premium will be \$[Dollar amount¹⁴].
- *[Benefit Change Snippets]*
- You can review more details about this plan at capbluecross.com and in your Summary of Benefits and Coverage.

So what are my options if...

- **I like the suggested plan?**
 - YOU DON'T HAVE TO DO ANYTHING. You'll automatically be enrolled and just have to pay the monthly premium.
- **I don't like the suggested plan?**
 - YOU HAVE THREE WAYS TO LOOK INTO OTHER PLANS AND ENROLL:

1. Visit HealthCare.gov and look at other Marketplace plans.
2. Visit HealthCare.gov and see if you or your family qualify for Medicaid or the Children's Health Insurance Program.
3. Look at other plans outside the Marketplace.

Just keep in mind that if you qualify for financial assistance to lower your monthly premiums or lower your out-of-pocket costs, you can only get these savings if you enroll through the Marketplace.

- **I can't afford a Marketplace plan?**
 - YOU CAN CONTACT THE MARKETPLACE AND APPLY FOR A HARDSHIP EXEMPTION. This exemption will allow you to buy a catastrophic plan that usually has lower monthly premiums and will mainly protect you from very high medical costs.

When do I need to make a decision?

The 2016 Open Enrollment period is from November 1, 2015 through January 31, 2016. But since your coverage is ending, you qualify to enroll in a new plan from January 1, 2016 to March 1, 2016. **If you want a plan other than the suggested plan, enroll in the new plan by December 15, 2015 to make sure there isn't a gap in your coverage.**

Questions?

- Call Capital BlueCross at 1-800-307-3563, or visit capbluecross.com. You can also work with a licensed insurance agent or broker.
- Visit HealthCare.gov, or call 1-800-318-2596 (TTY: 1-855-889-4325) to learn more about the Marketplace and to see if you qualify for lower costs.
- Visit LocalHelp.HealthCare.gov to find personal help in your area.

This notice is also available in alternative formats upon request and at no cost to persons with disabilities.

Getting help in other languages

Para ayuda en español, llame al 1-800-307-3563 y le asistirá un intérprete con este aviso de forma gratuita.

Important Notice from Capital BlueCross About Your Prescription Drug Coverage and Medicare

Please read this notice carefully and keep it where you can find it. This notice has information about your current prescription drug coverage with Capital BlueCross and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in your area. Information about where you can get help to make decisions about your prescription drug coverage is at the end of this notice.

There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. Medicare prescription drug coverage became available in 2006 to everyone with Medicare. You can get this coverage if you join a Medicare Prescription Drug Plan or join a Medicare Advantage Plan (like an HMO or PPO) that offers prescription drug coverage. All Medicare drug plans provide at least a standard level of coverage set by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. Capital BlueCross has determined that the prescription drug coverage offered by the Healthy Benefits HMO/Value HMO plan is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

When Can You Join A Medicare Drug Plan?

You can join a Medicare drug plan when you first become eligible for Medicare and each year from October 15th to December 7th.

However, if you lose your current creditable prescription drug coverage, through no fault of your own, you will also be eligible for a two (2) month Special Enrollment Period (SEP) to join a Medicare drug plan.

What Happens To Your Current Coverage If You Decide to Join A Medicare Drug Plan?

If you decide to join a Medicare drug plan, your current Capital BlueCross coverage will not be affected. You can keep your Capital BlueCross coverage and this plan will coordinate coverage with the Medicare drug plan. Your current coverage pays for other health expenses in addition to prescription drug. If you enroll in a Medicare prescription drug plan, you and your eligible dependents will still be eligible to receive all of your current health and prescription drug benefits.

If you do decide to join a Medicare drug plan and drop your current Capital BlueCross coverage, be aware that you and your dependents may be able to get this coverage back during an open enrollment period under the Capital BlueCross benefit plan.

When Will You Pay A Higher Premium (Penalty) To Join A Medicare Drug Plan?

You should also know that if you drop or lose your current coverage with Capital BlueCross and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later.

If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go nineteen months without creditable coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium. You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.

For More Information About This Notice Or Your Current Prescription Drug Coverage...

Contact the person listed below for further information. **NOTE:** You'll get this notice each year. You will also get it before the next period you can join a Medicare drug plan, and if this coverage through Capital BlueCross changes. You also may request a copy of this notice at any time.

For More Information About Your Options Under Medicare Prescription Drug Coverage...

More detailed information about Medicare plans that offer prescription drug coverage is in the "Medicare & You" handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans.

For more information about Medicare prescription drug coverage:

- Visit medicare.gov
- Call your State Health Insurance Assistance Program (see the inside back cover of your copy of the "Medicare & You" handbook for their telephone number) for personalized help
- Call 1-800-MEDICARE (800.633.4227). TTY users should call 877.486.2048.

If you have limited income and resources, extra help paying for Medicare prescription drug coverage is available. For information about this extra help, visit Social Security on the web at socialsecurity.gov, or call them at 800.772.1213 (TTY 800.325.0778).

Remember: Keep this Creditable Coverage notice. If you decide to join one of the Medicare drug plans, you may be required to provide a copy of this notice when you join to show whether or not you have maintained creditable coverage and, therefore, whether or not you are required to pay a higher premium (a penalty).

Date: November, 2015

Name of Entity/Sender: Capital BlueCross

Contact: Customer Service Department

Address: 2500 Elmerton Avenue, Harrisburg, PA 17177-9799

Phone Number: 800.730.7219

Health care benefit programs issued or administered by Capital BlueCross and/or its subsidiaries, Capital Advantage Insurance Company®, Capital Advantage Assurance Company® and Keystone Health Plan® Central. Independent licensees of the Blue Cross and Blue Shield Association. Communications issued by Capital BlueCross in its capacity as administrator of programs and provider relations for all companies.

CMS Form 10182-CC

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0990. The time required to complete this information collection is estimated to average 8 hours per response initially, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

KEYSTONE HEALTH PLAN CENTRAL

EXECUTION PAGE ADDENDUM

Addendum Effective Date: [mm/dd/yyyy]

[This Execution Page Addendum replaces any Execution Page Addendum previously issued under this Contract.]

THIS IS IMPORTANT TO YOU – Please keep this Addendum with your Keystone Health Plan Central [KHPC-Ind-HMO-NarrowNetwk-AGRMT-v0116] or [KHPC-Ind-HMO-BroadNet-AGRMT-v0116] and KHPC-Ind-Rx-Rider-v0116.

Subscriber: [John Doe]

[ADDRESS]

Subscriber ID Number: [zzz000-00-000]

Coverage Effective Date: [mm-dd-yyyy]

Dependents:

Coverage Effective Date:

[List Names of Covered Dependents]

[Effective Date for Each Covered Dependent]

[Subsidy Amount: \$xxxx.xx]

Monthly Premium Amount: [\$xxxx.xx]

In consideration of the mutual covenants and promises stated herein and other good and valuable consideration, the Subscriber and Keystone Health Plan Central shall be bound by the terms of the [KHPC-Ind-HMO-NarrowNetwk-AGRMT-v0116] or [KHPC-Ind-HMO-BroadNet-AGRMT-v0116] and KHPC-Ind-Rx-Rider-v0116 as of the date designated above as the Addendum Effective Date.

You may obtain the Policy and/or Summary of Benefits and Coverage (SBC) for this coverage via the Member link on the Capital BlueCross website at capbluecross.com or by contacting Customer Service at 1-800-730-7219 to request a copy be mailed to you free of charge. The Policy is a document that explains your plan coverage, terms and conditions; highlights the benefits covered under your plan; and provides the schedule of cost-sharing, benefits, limitations and exclusions for the plan. The SBC is a PPACA mandated document that outlines benefits and levels of coverage of your plan.

IN WITNESS WHEREOF, this Addendum has been duly executed by Keystone Health Plan Central on the date set forth below.

Keystone Health Plan Central



By: Gary D. St. Hilaire
As: President and Chief Executive Officer,
Keystone Health Plan Central

Keystone Health Plan Central



By: Sherry Baskin
As: Corporate Secretary,
Keystone Health Plan Central

[Print Date:]

[Subscriber Name and Document Label]

[Internal Control #]

[ADDRESS]

CAPITAL ADVANTAGE ASSURANCE COMPANY

EXECUTION PAGE ADDENDUM

Addendum Effective Date: [mm/dd/yyyy]

[This Execution Page Addendum replaces any Execution Page Addendum previously issued under this Policy.]

THIS IS IMPORTANT TO YOU – Please keep this addendum with your Capital Advantage Assurance Company Individual Pediatric Dental Subscriber Policy Form # CAAC-Ind-PedDN-Policy-HMO-v0116.

Subscriber: [John Doe]

[ADDRESS]

Subscriber ID Number: [zzz000-00-000]

Coverage Effective Date: [mm-dd-yyyy]

Dependents:

[List Names of Covered Dependents]

Coverage Effective Date:

[Effective Date for Each Covered Dependent]

Monthly Premium Amount: Your monthly premium amount is included with the medical coverage premium amount listed on Form #KHPC-Ind-HMO-Ex-v0116

In consideration of the mutual covenants and promises stated herein and other good and valuable consideration, the Subscriber and Capital Advantage Assurance Company shall be bound by the terms of the Capital Advantage Assurance Company Individual Pediatric Dental Subscriber Policy Form # CAAC-Ind-PedDN-Policy-HMO-v0116 as of the date designated above as the Addendum Effective Date.

You may obtain the Policy for this coverage via the Member link on the Capital BlueCross website at capbluecross.com or by contacting Customer Services at 1-800-730-7219 to request a copy be mailed to you free of charge. The Policy explains your plan coverage, terms and conditions as well as provides a schedule of covered benefits, limitations and exclusions for your plan.

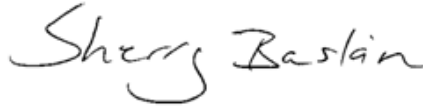
IN WITNESS WHEREOF, this Addendum has been duly executed by Capital Advantage Assurance Company on the date set forth below.

Capital Advantage Assurance Company



By: Gary D. St. Hilaire
As: President and Chief Executive Officer,
Capital Advantage Assurance Company

Capital Advantage Assurance Company



By: Sherry Baskin
As: Corporate Secretary,
Capital Advantage Assurance Company

[Print Date:]

[Subscriber Name and Document Label]

[Internal Control #]

[ADDRESS]

CAPITAL ADVANTAGE ASSURANCE COMPANY

EXECUTION PAGE ADDENDUM

Addendum Effective Date: [mm/dd/yyyy]

[This Execution Page Addendum replaces any Execution Page Addendum previously issued under this Policy.]

THIS IS IMPORTANT TO YOU – Please keep this addendum with your Capital Advantage Assurance Company Individual Pediatric Vision Subscriber Policy Form # CAAC-Ind-PedVS-Policy-HMO-v0116.

Subscriber: [John Doe]

[ADDRESS]

Subscriber ID Number: [zzz000-00-000]

Coverage Effective Date: [mm-dd-yyyy]

Dependents:
[List Names of Covered Dependents]

Coverage Effective Date:
[Effective Date for Each Covered Dependent]

Monthly Premium Amount: Your monthly premium amount is included with the medical coverage premium amount listed on Form # KHPC-Ind-HMO-Ex-v0116.

In consideration of the mutual covenants and promises stated herein and other good and valuable consideration, the Subscriber and Capital Advantage Assurance Company shall be bound by the terms of the Capital Advantage Assurance Company Individual Pediatric Vision Subscriber Policy Form # CAAC-Ind-PedVS-Policy-HMO-v0116 as of the date designated above as the Addendum Effective Date.

You may obtain the Policy for this coverage via the Member link on the Capital BlueCross website at capbluecross.com or by contacting Customer Services at 1-800-730-7219 to request a copy be mailed to you free of charge. The Policy explains your plan coverage, terms and conditions as well as provides a schedule of covered benefits, limitations and exclusions for your plan.

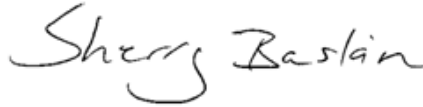
IN WITNESS WHEREOF, this Addendum has been duly executed by Capital Advantage Assurance Company on the date set forth below.

Capital Advantage Assurance Company



By: Gary D. St. Hilaire
As: President and Chief Executive Officer,
Capital Advantage Assurance Company

Capital Advantage Assurance Company



By: Sherry Baskin
As: Corporate Secretary,
Capital Advantage Assurance Company

[Print Date:]

[Subscriber Name and Document Label]

[Internal Control #]

[ADDRESS]