



September 28, 2016

Dear Producer Partner;

Since the Patient Protection and Affordable Care Act (PPACA) took effect in 2014, it has brought significant changes to the health care industry, placing difficult financial burdens on consumers and creating challenges for long-term financial sustainability of many consumer products. When Capital BlueCross entered the Federally Facilitated Marketplace (FFM), we did so with a conservative approach, knowing it would take a few years for the market to stabilize.

Although the FFM has now been in place for three years, the market remains unstable. This can be seen in the significant variance in insurance rates by our competitors, as well as their wide-scale discontinuation of products, with some leaving the FFM altogether. As you are aware from recent media articles, insurance carriers across the nation are being forced to re-evaluate their strategies and, in many cases, make some difficult decisions. Capital BlueCross is no exception.

In light of these realities, we have deemed it necessary to reduce the number and types of plans available on the FFM, and will not be paying commissions on new, PPACA medical business sold for 2017. Information about the Capital BlueCross 2017 product offerings will be forthcoming. In the interim, please see the attached FAQ document pertaining to our decision and the consumer market.

Thank you for your continued partnership in helping consumers choose the best coverage option for their health and budgetary needs.

Sincerely,

A handwritten signature in black ink that reads "Debbie Rittenour". The signature is fluid and cursive, with the first name "Debbie" and last name "Rittenour" clearly distinguishable.

Debbie Rittenour
Senior Vice President Government Programs