



Regence

Regence BlueCross BlueShield of Utah is an independent licensee of the Blue Cross and Blue Shield Association

P.O. Box 30270
Salt Lake City, UT 84130-0270

January 17, 2011

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«Group_City» «Group_State» «Group_PostCode»

Dear Group Administrator:

At Regence we understand that you have several options when selecting an insurance carrier, and we appreciate your business. As you know, there have been a number of changes in state and federal health care regulations recently, and we hope to make all transitions as smooth as possible.

We are writing to notify you of a change that will impact your policies beginning on the date your contract became effective or was renewed after September 23, 2010. Due to the new health care reform law, Regence has removed all annual dollar limits on specific covered services that are considered “essential health benefits.”

What are “Essential Benefits?”

The health reform statute is very broad in defining essential benefits, and specific clarification on this component of the legislation is not anticipated from the U.S. Department of Health and Human Services until late in 2011; therefore, Regence has decided to treat all benefits offered by Regence as “essential,” except dental and vision services. Additionally, adoption benefits will not be treated as an essential benefit.

Annual Dollar Limits Removed on Essential Benefits

Regence removed annual dollar limits on specific essential benefits. To help stabilize any rate impact created by the removal of dollar limits, there is a \$2 million combined annual maximum for all essential benefits and, on plans where it is feasible, we have changed some dollar limits to days or visits.

Small Number of Claims Impacted

A small number of Regence claims have been impacted by this change. Regence is working to reprocess them at this time.

Contract Change

Enclosed is an updated endorsement reflecting the changes. Please share this information with your employees. Shortly, they will be able to view the changes by visiting www.myRegence.com and clicking on "My Navigator," then "Benefits."

Questions?

We understand you may have questions regarding this change in policy. Many of these questions are answered in the Frequently Asked Questions document on Regence.com at www.regence.com/annual-limit. However, please do not hesitate to contact your Regence Sales Representative or your agent/producer for clarification as well.

Thank you for reviewing this information. We are here to serve you, and will continue to keep you updated on this issue.

Sincerely,

Alfred Tredway
Vice President Sales
Regence BlueCross BlueShield of Utah



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ENDORSEMENT TO YOUR MEDICAL PLAN BOOKLET

This Endorsement makes certain changes to Your Regence Innova[®]; Engage[®]; ActivateSM; or HSA Healthplan 2.0SM Booklet as of **September 23, 2010**, or the date on which Your medical plan becomes effective or renews with Us, whichever is later.

Regence BlueCross BlueShield of Utah agrees to provide Members the following benefits in accordance with and subject to the provisions, terms, conditions, limitations and exclusions set forth in this Endorsement and the Booklet to which this Endorsement applies. If there is any inconsistency between this Endorsement and the Booklet, the terms of this Endorsement will prevail.

To accomplish the above, the following changes are made to Your Booklet:

ANNUAL MAXIMUM BENEFIT LIMIT

A \$2,000,000 annual Maximum Benefit limit has been added for all benefits, except for adoption benefits and vision care, if included in Your Booklet.

MAXIMUM BENEFIT LIMIT REMOVAL

All dollar Maximum Benefit limits have been removed, except for adoption benefits and vision hardware, or as otherwise revised to a visit/day Maximum Benefit, as specified below.

Exception for the Innova Booklet only: The dollar Maximum Benefit limit for Upfront Benefits for Outpatient Laboratory and Radiology Services shall be retained.

MAXIMUM BENEFIT LIMIT REVISION

The existing dollar Maximum Benefit limit has been revised to a visit/day limit, per Member per Calendar Year, for the following specified benefits, if included in Your Booklet:

- Neurodevelopmental Therapy:
 - No limit for inpatient services
 - 40 outpatient visits
- Rehabilitation Services:
 - 15 inpatient days
 - 40 outpatient visits

All other terms and conditions of the Booklet remain unchanged.

IN WITNESS WHEREOF, We, by Our duly authorized officer, have executed this Endorsement.

Robert A. Hatch
President
Regence BlueCross BlueShield of Utah

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