

January 20, 2011

«GROUP_NAME»
«ADDRESS_1»
«ADDRESS_2»
«CITY» «STATE» «ZIP»«F8»«F9»

Subject: The Massachusetts' Act Providing Access to Affordable, Quality, and Accountable Health Care

Dear Group Administrator:

I am writing to let you know about the Massachusetts Act Providing Access to Affordable, Quality, and Accountable Health Care. Our records indicate that you may have employees/dependents who reside in Massachusetts. This law places obligations on Massachusetts residents and plan sponsors (employers) for providing coverage for Massachusetts residents. This law is written so it applies to you, the plan sponsors, not to Regence, who is not licensed in Massachusetts. I am providing the following summary of this law to help you in ensuring that your employees residing in Massachusetts obtain necessary information and to help you understand any reports you may have to file in Massachusetts. This summary is for information purposes only. I recommend that you independently analyze the law and your obligations under it, or consult your legal counsel for definitive guidance on the law.

Massachusetts residents age 18 and older must obtain and maintain health insurance that meets "minimum creditable coverage" standards and report this coverage on their income tax returns. Failure to do so could mean losing the personal state tax exemption and, beginning in 2009, paying a fine.

Similar to providing your employees with annual W-2 forms, as a plan sponsor with Massachusetts residents, you must provide annual written statements on or before January 31 of each year (Form MA 1099-HC). These written statements go to your covered employees or their family members in Massachusetts and tell them if your benefits met the specific criteria for the previous year. You must also provide a separate report electronically to the Massachusetts Department of Revenue verifying the member statements. Noncompliance with either of these requirements can result in the imposition of fines.

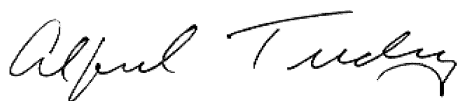
You can find additional information about this law at

<http://www.mahealthconnector.org/portal/site/connector/> and

http://www.mass.gov/?pageID=dorterminal&L=3&L0=Home&L1=Businesses&L2=Current+Tax+Year+Information&sid=Ador&b=terminalcontent&f=dor_healthcare_employer_FAQs&csid=Ador

We remain available to assist you with any questions about our benefit plans.

Sincerely,



Alfred Tredway
Vice President Sales
Regence BlueCross BlueShield of Utah